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ABSTRACT

Developed by a study concerned with urban youth unemployment, this report provides descriptions of sixteen pilot projects intended to find or create unsubsidized jobs for youth, help them prepare for these jobs, and bring youth and jobs together. Based on the theme that unemployment results not from lack of will to work but from lack of opportunities or incentives, chapter 1 proposes a new opportunities approach to the worsening urban youth unemployment. Using cost and deduction tables for employers and employees, chapter 2 pleads the case for monetary incentives for youth. The next five chapters group pilot-scale programs, which agencies in the field may adopt and adapt to local needs, into five categories: incentive pilot programs, new enterprise, successful training and placement models, making the job connection, and opportunities in public service. Each chapter begins with an overview of the category and brief descriptions of the includes some or all of the following: (1) the problem dealt with, (2) strategy, (3) description, (4) impact on youth, (5) feasibility, (6) potential sponsors, (7) cost effectiveness, (8) pros and cons, and (9) evaluation. (YLB)

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JOB STRATEGIES FOR URBAN YOUTH

Sixteen pilot programs for action.

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WORK IN AMERICA INSTITUTE, INC.
Scarsdale, New York

ABOUT WORK IN AMERICA INSTITUTE

A nonprofit organization, the Work in America Institute was founded in 1975 to advance productivity and the quality of working life, thus contributing to the economic and social well-being of the nation. Its mission is based on two fundamental convictions: that the human factor in the work equation becomes more critical as our society grows more complex, and that people and production can be linked in new ways to enhance worker satisfaction, while at the same time improving the effectiveness of the organization. Drawing from a broad base of support in all sectors of the work community, the Institute acts as a clearinghouse for information and as a source of assistance for all concerned with the world of work.

The material for the publications produced as part of this project was prepared under grant number RF 78006 from The Rockefeller Foundation.

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We believe these ideas are worthy and realistic. The Institute offers them to all takers who believe they can translate the designs into practice.

Finally, recognizing that the best ideas may gather dust, the Institute plans an active campaign to promote and disseminate these programs to individuals and organizations who might put them into action.

The Board of Directors is pleased to offer up this well-balanced assortment of new ideas in the hope that those who benefit most will be the young people in the nation's inner cities.

Sincerely,

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March 21, 1979

LETTER FROM THE BOARD OF DIRECTORS, WORK IN AMERICA INSTITUTE

The Work in America Institute undertook this national policy study at the urging of its Board of Directors. We, the members of the Board, endorse the product of the study. We endorse these imaginative yet practical pilot-scale programs for their originality, low cost, and high promise. We endorse them because, having been carefully designed and reality-based, they stand a good chance of success. We endorse them not least because administrators of grass-roots youth employment programs played an extensive part in the design process, ensuring that the report touches down at street level where the real pain and frustration exist.

Others have tackled the issue of urban youth employment before. But no one has a monopoly of ideas. There is, in fact, a crying need for more and better ideas. Fortunately, in our democratic society the mind of man is free to roam unbridled along any promising new path. We believe that the Institute, through this report, can contribute a measure of invention toward solving one of the most intractable employment problems of our times.

Background: Urban Youth Unemployment

The basic characteristics of urban youth unemployment in 1979 after 20 years of national, state and local interventions, and after 80 billions of dollars of federal expenditures, look bleakly as follows:

- *Worse than ever.* Over the past 20 years unemployment among black and minority youth in inner cities has steadily worsened. The 1978 rate for black teen-agers—a staggering 45 percent.
- *Demographic outlook.* Youth population *overall* will decline somewhat in the 1980s as a result of lower white birth rates. But *not* for blacks and minority youth.

Premise and Basic Approach

This report is directed toward solutions along these lines:

- Employment opportunities for youth must be expanded.
- There is a dearth of new, down-to-earth, workable ideas.
- Proposals should complement rather than compete with U.S. Department of Labor programs.
- Action should take the form of pilot-scale localized programs within modest cost limits, to be pre-tested prior to national application, redesign, or rejection.

The Sixteen Pilot-Scale Programs

Underlying Principles:

- *Un*subsidized employment, mainly in the private sector, is the goal.
- Contain the risks but recognize that innovation always means risk. Doing nothing is even riskier.
- Recognize the force and temptation of the street environment and seek a counterbalance with strong incentives.
- Build new ideas on the foundation of existing agencies, whenever possible.
- Involve unions when a program affects unionized workers.

Pilot-Scale Models

These are conceived as if they were architectural models, which agencies in the field are free to adopt and adapt to their local needs. They are grouped in five categories:

- Incentive Programs: Nos. 1, 2, 3
- New Enterprises: Nos. 4, 5, 6
- Successful Training and Placement Models: Nos. 7, 8, 9, 10
- Making the Connection: Nos. 11, 12, 13
- Opportunities in the Public Sector: Nos. 14, 15, 16

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Preface

"Job Strategies for Urban Youth" is Work in America Institute's first national policy study report. The strength of the report rests not only in the quality of its ideas but equally in the Institute's standing as an independent, tripartite, not-for-profit organization and in the endorsements of its distinguished board.

The report has been a collaborative effort in the best sense. Differing viewpoints among contributors have been resolved by enlarging or enriching ideas, not by compromising.

Within this context, particular contributions deserve our acknowledgment and thanks. The pilot programs were drafted and developed by these writers:

Paul E. Barton, vice-president, planning and policy development, National Manpower Institute: *Youth Transportation to Work; Youth Enterprise; The Experience Report; Private Work-Education Model; Careers in the Defense Department; Youth Public-Service Initiatives.*

Eli Cohen, executive director, National Child Labor Committee, with Seymour Lesh, associate director, National Child Labor Committee: *Targeting Federal Jobs for Youth.*

Oscar Ornati, professor, New York University Graduate School of Business: *Exemptions from Taxes; Job Retention Award.*

David Robison, manpower consultant: *Manpower, Inc.; Jobs for Youth-Vocational Foundation, Inc.; Young Ex-Offender Transition Service; Industrial Skills Training; Job Development Survey.*

Anita Vogel, consultant: *Consortium for a Middle-Sized City.*

Expert advice was contributed by the following practitioners:

William Brocker, national director, The Boys' Clubs of America

George Carson, director, Vocational Foundation, Inc. (Mr. Carson also suggested *Targeting Federal Jobs for Youth.)*

Alfred Cave, president, New Life Group, Inc.

Elizabeth Keller, project director, RCA Service Company

The narrative report was drafted, in the main, by Paul E. Barton. Chapters 2 and 3 were developed by Oscar Ornati.

The study and report were directed by Robert Zager, vice-president, technical assistance and policy studies, Work in America Institute, with the advice and assistance of Jerome M. Rosow, president of the Institute. Paul E. Barton, on loan from the National Manpower Institute, served as associate director. The National Advisory Committee is listed elsewhere in this report.

We wish to express our sincere appreciation to all of the above and to the many organizations which cooperated so willingly to make this report possible. Our special

thanks go to the Committee for Economic Development, whose widely-respected report, "Jobs for the Hard-to-Employ," led us to this project and whose advice and example helped bring it to fruition. Most of all, we wish to thank the Rockefeller Foundation, and especially Ralph K. Davidson and the late John Knowles, who made the project possible.

ERRATA

Preface, first page — Delete paragraph 5 and insert the following:

> Eli Cohen, executive secretary, Advisory Council for Occupational Education: *Regularizing Odd Jobs*
>
> Jeffrey Newman, executive director, National Child Labor Committee, with Seymour Lesh, associate director, National Child Labor Committee: *Targeting Federal Jobs for Youth.*

Page 3 — Delete incomplete paragraph at bottom of page.

Page 34, Pilot Program No. 6, paragraph 1 — Youthpower placed 80,000 youth in summer jobs from 1964 to 1973, not 800,000.

Page 68, line 9 — "Urban youth agencies," not "urban youth."

Page 86 — The last sentence should read:

> Thus, when new companies are introduced to the center, the job developer will stress the overall value of the program and the center's ability to fulfill the companies' specific employment needs.

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Introduction

The United States is on the verge of carrying into the decade of the 1980s one of the most crucial problems facing the nation since the Great Depression of the 1930s, the problem of joblessness among inner-city, largely minority, youth out of school. It is a situation that has been getting worse, not better, despite serious efforts to do something about it. We believe that the problem can be solved and that new approaches can be found to expand opportunities. It is this conviction that gave rise to the effort which has resulted in this publication.

A similar conviction animated the Committee for Economic Development's 1978 report, "Jobs for the Hard-to-Employ: New Directions for Public/Private Partnership," whose recommendations have been widely hailed by leaders in government, business, unions, and the press. Work in America Institute collaborated in conducting that study and creating the companion casebook, "Training and Jobs Programs in Action: Case Studies in Private-Sector Initiatives for the Hard-to-Employ."

Later, when the Institute undertook the present study, CED bolstered its efforts by participating in the National Advisory Committee and offering informal guidance in respect to distribution of the report. The Rockefeller Foundation showed its faith in the Institute's emphasis on new employment opportunities for youth by providing funds to carry out the study.

This commitment was also shared by the team that was asked to develop ideas: the nine-member study group, which was called into session several times to review these ideas; and the 21-member National Advisory Committee, which met a total of three times between May 1978 and February 1979 to encourage, criticize, and make improvements in the work presented to it. Among those deeply involved in the project were experts in the youth employment field, practitioners now running successful programs at the local level, union leaders, businessmen (and organizations that represent them), key local administrators of CETA programs, government agencies charged with responsibility in this area, and national organizations concerned with this serious problem.

Thus our report is offered not as a compilation of the ideas and proposals of a single organization or individual, but as the product of joint endeavor.

This is not to suggest that all those involved would agree with all the proposals made in this volume or with all the details of individual proposals. They do agree, however, on the need for new approaches and on the proposition that this volume offers some that ought to be tried. Indeed, they have participated actively in shaping them.

Sixteen pilot programs are presented in this volume, including a survey of job-development approaches. Many of them have not been tried before. A few may have been proposed previously, although in a slightly different form. Several have been

modeled on actual programs, now in operation, which, after considerable investigation and study, are judged to be worth trying in other places.

Much has been written about the urban youth unemployment problem, and numerous "studies" have been made. Seldom, however, do these efforts result in carefully conceived program proposals that have been developed in sufficient detail to test recommended policies. Current analysis of the problem is mostly at the macro level, using national labor-force statistics and suggesting only broad policies, such as "improving skills," "teaching basics," "reducing employer costs," and "involving the private sector." But these suggestions cannot be taken unless they are made concrete and translated into programs that funding and implementing organizations can understand.

In preparing this report, the Work in America Institute has acted as broker, with the objective of interesting others in trying out some new approaches. It has brought together people with ideas and people who have had practical experience with running programs. It has brought together organizations (represented in the National Advisory Committee) that have the capability of funding experimental programs, with organizations that have the capability of carrying them out. The Institute does not itself operate programs However, acting as broker, in the same fashion in which the report itself was developed, it will try to assist organizations that may wish to implement the pilot programs described here.

There is a great deal of confusion between what is basically a funding and delivery-system strategy on the one hand, and specific program ideas on the other. There are an increasing number of funding plans that list the kinds of projects that can be funded, particularly since the passage of the youth amendments to the Comprehensive Employment and Training Act (Youth Employment and Demonstration Projects). That act can finance a broad array of programs if someone thinks up the right programs to finance. Contacts with YEDPA administrators and an analysis of their publications make it clear that our pilot programs do not compete with or duplicate, but rather complement and enrich, their national demonstration projects.

Also, three new "intermediary" organizations have been established with federal government and foundation funds to identify promising approaches. These are the Corporation for Public/Private Ventures, Youthwork, Inc., and The Corporation for Youth Enterprise. All are potential sources of interest.

These are not the only ones, however. Pilot programs such as those described in this report can be supported by foundations, state and local government, and by private organizations. Some of them may have features that exclude them from one particular source of funding. Private funding may be a more practical approach for more novel ideas or for some that have more risks than a government agency is willing to take.

A final note of explanation: Many of these approaches have not been tried. But that is the point of this effort—to develop promising ideas that *can* be tried. The proposals made here are intended as *pilot* efforts, for the purpose of developing knowledge about what works; they are not intended to become national policies or programs immediately. Too often new ideas are incorporated in federal legislation without such trials. If these pilots are judged desirable after a sufficient trial period, they can then be considered for broader application.

1

A Problem Still with Us

The focus of this effort is on urban youth. While youth employment is not confined to the cities, that is where it is most concentrated, where it has proved intractable, and where things have been getting, not better, but very much worse.

WORSENING URBAN YOUTH UNEMPLOYMENT

By the conventional measure of the problem, the official Department of Labor unemployment rate, 23 percent of teen-agers in the labor force who live in central cities were unemployed in 1977.* This is the highest measured rate among the various categories of residence, comparing with 16 percent for all teen-agers living elsewhere in the city or in the country. The comparable rate for the suburbs was 16 percent; for the farm, 7 percent; and for nonfarm areas outside the city, 17 percent. Within poverty areas of the cities, the unemployment rate was 32 percent in 1977.

While there are high unemployment rates in white poverty areas, the minority populations suffer, by far, the highest rate of unemployment. For white teen-agers the unemployment rate was 15 percent in 1977; for black teen-agers, 41 percent; and for Hispanic teen-agers, 22 percent. Those who look closely at the official figures conclude that joblessness is more severe than the gross figures disclose. In poverty areas of the cities, in fact, the measured rate for blacks is 45 percent. When the rate exceeds 50 percent, it will likely be the first time that such a rate has been recorded since the commencement of the household-based unemployment survey in the 1940s.

There is enough cause for alarm in these measures of current levels of unemployment. But even more alarming is the fact that in spite of the considerable amount of federal intervention on a variety of fronts, the situation has been steadily deteriorating. This is best revealed when we avoid the complications and limitations of measured unemployment rates and look directly at a very simple statistic: the proportion of teen-age youth who do have jobs.

In 1962 39 percent of all teen-agers had jobs, compared with 33 percent for black teen-agers. Although it was difficult for the labor market to absorb those born during the World War II baby boom, this proportion rose (for all teen-agers) to 46 percent ten years later. But the trend operated in reverse for black teen-agers (and probably would)

* As this is written, detailed data for 1978 are incomplete. For the last quarter of 1978, overall teen-age unemployment was 16.3 percent (seasonally adjusted), about the same as the fourth quarter of 1977, but down several percentage points from early 1977. Black teen-age unemployment remained at 35.3 percent (seasonally adjusted), down only a fraction from 1977 figures. In general, it is unlikely that 1978 figures will be very different in center cities and poverty areas from those of 1977. If the recession generally predicted for late spring of 1979 materializes, these figures will rise considerably.

In 1962 39 percent of all teen-agers had jobs, compared with 33 percent for black teen-agers. Although it was difficult for the labor market to absorb those born during the World War II baby boom, this proportion rose (for all teen-agers) to 46 percent ten years later. But the trend operated in reverse for black teen-agers (and probably would have for Hispanic teen-agers too, had statistics been available for this 15-year period); by 1977 only 24 percent of black teen-agers had jobs.

This study has not been concerned solely with 16- to 19-year-olds. The history for this group is most easily tracked because it is a standard age category in the statistics. For those slightly older, and those slightly younger, the picture differs only in degree, not in kind.

For 16- to 21-year-olds, the unemployment rates were 13.5 percent for whites in 1977 and almost 34 percent for blacks and other minorities. Forty-two percent of minority youth who are still in school are looking for jobs and have not found any.

While 14- and 15-year-olds were eliminated from the official national unemployment rate in the 1960s, records are still kept for them. Their labor-force participation rates had been declining before they were removed, but they have been climbing over the last 15 years from about one out of six to about one out of five. Among minority 14- and 15-year-olds in the labor force, the unemployment rate in 1977 was 42 percent, compared with 13 percent for whites. Thus, the pattern of exclusion from the labor force starts with minority youth at the earliest ages of employment activity. As a result, they leave school without the kind of work experience that gives many white youths a head start at the school-leaving age.

WILL DEMOGRAPHIC TRENDS PROVIDE RELIEF?

In current discussions of youth unemployment, the case is usually made that we need not worry too much about youth unemployment because, as the World War II baby boom moves upward through the labor force, the numbers of teen-agers will decrease. With a smaller cohort of young people, the reasoning goes, there will be fewer competing for jobs and the group as a whole will be more successful. It is true that there will be a decline in the total number of teen-agers—from 16.8 million in 1977 to 15.2 million in 1985.

Nevertheless, we do not believe it is wise to reduce our effort to find new approaches because of these demographic changes. Offsetting these figures, to a degree we cannot project with the same accuracy as population, is the probable continued increase in the *proportion* of youth who are in the labor force. In the last 15 years, the labor-force participation rates for 16- and 17-year-olds has risen by 11 percentage points; for 18- and 19-year-olds, by 8 points; and 20- to 24-year-olds, by 10 points. Unless this trend reverses, the numbers of young people in the labor force are not likely to decline between now and 1985, or at least not to any significant degree. It also should be remembered that the growing labor-force participation rate of women adds another element to the continued pressure on the job market. In addition, many older workers may, in the near future, opt to work longer, further restricting access to jobs by young people.

The situation of minorities is considerably different from that of the youth population as a whole. The birth rates for blacks have not shown the same declines. In 1977 there were 2,450,000 black teen-agers; this number is projected to rise slightly to 2,557,000 in 1985. So from the standpoint of population, there will be an increase rather than a decrease in the group with the greatest unemployment. Ironically, the number of young blacks actually in the labor force may decline if past trends continue. During the last 15 years the participation rate for teen-age black females has been relatively stable, but it

has declined for males, by 9 percentage points for 16- to 17-year-olds, and by 11 percentage points for 18- to 19-year-olds. It is widely assumed that these rates are going down because employment prospects are so bleak that more and more young people just don't look for jobs, thus swelling the category of "discouraged workers".

There is clearly no demographic improvement in view for older youth, with about the same number about to join the labor force in 1985 as in 1980.

The conclusion is, therefore, that it would be foolhardy to wait for "favorable demographic trends."

CAUSES OF JOBLESSNESS

Academics and commissions have devoted a great deal of study to the reasons for the high rate of joblessness among urban youth. None of it has reached the level of certainty. More particularly, none of it explains very well why the situation continues to deteriorate, despite the attention given to it. There is room for more research into causes. We have speculated, as have others, about the underlying causes, many of which seem quite plausible.

The minorities started pouring into the big cities after World War II just as the era of manufacturing as a principal economic activity inside the city was coming to a close. Thus the central city ceased to be a mecca for those seeking relatively well-paid unskilled and semiskilled jobs.

Increasingly young people have found their employment opportunities in labor-intensive industries and occupations. The expansion in this sector has been much greater in the suburban ring around the large metropolitan areas, however, where the money exists for families to buy services and eat out in fast-food chains, and where the land on which to build these labor-intensive enterprises is less expensive and provides more parking space for automobiles. It is difficult for inner-city youth to work in these areas because transportation systems are not designed to take workers from the city to the suburban ring, or, for that matter, to jobs inside the city. Rather, they are most efficient in bringing large numbers of suburbanites from residential areas to city jobs.

The inaccessibility of jobs has been compounded by inadequate education in the central city, which has left many young people lacking the basic educational skills employers need. The realization among teen-agers that they will probably not be able to find jobs when they leave school, reduces their motivation to learn, further limiting their opportunity for work. Increasing jobs, then, may be as much a remedy for learning as it is for earning.

The general absence of sufficient jobs for minorities in the central city, a condition that has existed for a very long time, has made success in employment rare for youth growing up. The opportunities are not there, nor are the expectations young people usually have about working. Moreover, the fact that few adults in the community have good employment connections means that there are fewer informal "networks" to help youth get started.

In the absence of a regular economy supplying well-paying jobs, an "irregular" economy has evolved in which youth find a variety of opportunities to get money in activities that range from just barely legal to the totally destructive. The more opportunities of this nature available to youth, the more they seem to be the norm, competing on an equal basis with opportunities in the regular economy.

There is also the simple and inescapable fact that minority youth still suffer discrimination in the job market for a variety of reasons ranging from outright racial prejudice to a distaste by employers for speech and dress that differs from that of the white middle class.

A NEW OPPORTUNITIES APPROACH

While these explanations sound plausible to us, explanations do not help young people find work. This study has been planned, therefore, not as a survey research effort, with one more questionnaire for slum residents to answer, but as an effort to find new ways of connecting youth and jobs. We have made a basic, if simple, assumption: *There is an insufficiency of opportunities for urban youth, and we need to put our heads together and find some new approaches to expanding opportunities.* Then, we need to try these out in a few places to see how well they work before replicating them on a large scale. We also need to find those creative projects that seem to work in one place and try them in others.

None of this is to suggest that we find a lack of promise in the new youth programs under the Youth Employment and Demonstration Projects Act. Quite the contrary, for the legislation is far reaching and has accomplished much in a very short period of time. YEDPA is a flexible funding source for new ideas, but first the new ideas have to be invented and local institutions must try them out and give them substance. It has been our desire to provide new ideas rather than merely repeat approaches now being tried.

IMPORTANT PRINCIPLES

As the staff of the project, the study group, and the larger National Advisory Committee deliberated, it became apparent that a number of principles were shared and strongly held. They have provided the framework within which our ideas and approaches were developed.

Target: Private Employment

The primary objective is to develop opportunity in the private sector of the economy and, where assistance is provided in the public sector of the economy, to provide for a transition to private-sector jobs.

All Training within or by the Private Sector

Any job training program has essential elements. One is that it is best conducted within the private sector. At a minimum, it must be carried out in collaboration with the private sector.

No Innovation without Risk

There are some risks involved in launching new ideas in pilot programs—risks that these ideas will not work as well as expected or that some may turn out not to be feasible in real life. Efforts have been made to contain such risks in developing the proposals. But the situation is grim, and we should be willing to take some risks in trying new things. There are graver risks in doing nothing.

Need for a Knowledge Development Plan

The proposals made here are for pilot programs. The purpose is to find out if they have sufficient merit to try on a larger scale. It is essential, therefore, that the experience be carefully recorded, and that there be a knowledge development plan.

Competition from "Non-Square" Occupations

While "we wish it weren't so," there *are* alternatives to regular work in urban areas, alternatives that are often quite irregular in character, and we will have to compete with these as much as we can. We need some approaches that catch the imaginations of these youth. There is a need to be realistic.

Communities Have Diverse Needs

There is too much variation among communities and too much need for creativity and local initiative for standardized approaches to be developed in Washington. Some of the ideas we present will be warmly responded to in some places and roundly rejected in others.

Young People Have Diverse Needs

We need to broaden the *array* of opportunities available to urban youth, simply because the group is not at all homogenous in its abilities, experiences, and expectations. It is a mistake, for example, to offer *only* public employment with local government, and *only* classroom-skills training, the central thrust of past efforts.

Opportunities for Youth Initiative

This broader array of youth opportunities ought to include more opportunity for youth to take the initiative in forming new organizations and in running them. There are youth who need constructive outlets for organizational and entrepreneurial talents. Also, there need to be more of these opportunities to provide a chance for leaders to develop and emerge.

Build on Existing Organizations

Maximum advantage should be taken of existing successful organizations in trying out new approaches, so that burdens are not assumed for creating wholly new organizations. However, we also recognize that this will not always be feasible and that sometimes existing organizations will not be open to trying wholly different approaches.

"Sunset" for Programs No Longer Needed

While youth often need assistance in penetrating the job market, the assistance should be phased out on a reasonable basis. For example, we recommend a pilot program to assist youth with transportation problems, but this should be on a temporary basis.

Job Development the Keystone

Intensive job development to achieve placement is a necessity.

Union Involvement

Whenever a program leads to placement of a youth in a job with a unionized employer, the union should be involved.

Contained in the five sections which follow are 16 proposed programs, or policy trials, and also a job-development survey. That these programs are intended as pilots cannot be overstressed. With few exceptions, they have been designed to test strategies within tough, practical limits: limits of duration (one to two years maximum), cost (not to exceed $1 million), and geographical dispersion (one, two, or three sites for each strategy).

For each program, there is an effort to describe the problem the approach deals with; explain the strategy underlying it; describe the content of the program or policy and the way it would work; ascertain, with varying degrees of certainty, the impact the pilot would have on youth; assess the feasibility of carrying it out; identify the potential sponsors of the pilot; specify, to the extent possible, the cost-effectiveness of the proposal; identify the arguments for and against the approach; and specify the terms on which the project should be evaluated, as a means of developing knowledge through the pilots.

2

Tipping the Balance

A major theme of this report is that urban youth unemployment results primarily not from lack of will to work, but from lack of opportunity or incentives. Our pilot programs therefore propose various ways of (1) finding or creating unsubsidized jobs that youth can fill, (2) helping youth prepare to fill these jobs, and (3) bringing youth and jobs together.

For many disadvantaged youths, however, the first six months or year of work life are a trial period. By choice or necessity, work may consist of a series of short jobs, many of them unattractive, with blank spaces between. Although there is often deep and lasting value to such experience, it is not always apparent at the time to the youth who undergoes it. During that period the youngster will be tugged in conflicting directions by the street environment and peer pressures on one hand and by the desire for a respectable role in mainstream society on the other. Money may not be the main reason for taking a job, but if take-home pay is too disappointing, commitment to the world of work may be attenuated, delayed, or aborted.

It is a simple fact of life that most of the jobs available to out-of-school disadvantaged urban youth are both unchallenging and poorly paid. Gus Tyler, assistant president of the International Ladies' Garment Workers Union, estimates, on the basis of BLS and National Planning Association studies, that some 12,000,000 employees (of all ages) who work year round as janitors, stitchers, hospital orderlies, packers, wrappers, busboys, dishwashers, bellhops, elevator operators, gas-station and parking-lot attendants, and the like, have annual earnings below the poverty line. According to an estimate by Robert Taggart, administrator of the Office of Youth Programs, Department of Labor, a majority of employed urban youth hold jobs paying less than the minimum wage.

If pay were all that mattered, many of these workers might very well throw in the towel. But the alternatives are still less attractive than poverty. Unemployment insurance, although tax free, often yields a smaller net than minimum-wage employment. In fact, most unemployed urban youth have not been in the labor market long enough to qualify for compensation. The real alternatives are hustling and crime. A job, any job, holds out at least the promise of relief from boredom, a foothold in the labor market, hope for the future, *some* sense of self-worth.

On the employer's side also, pay is not the sole factor in determining whether to hire a youth. Most young people find employment in the "secondary" labor markets—small businesses, seasonal work, unskilled tasks—where employers prefer not to invest in training, provide little job security and sometimes pay "off the books." Firms in the "primary" market—those that provide steady work, training, and career opportunities

with higher wages—look first of all for stability, because training and turnover are expensive. Since stability is hard to detect in advance, primary employers often refuse to hire young people at all.

But wage costs matter to employers too. If they have to offer the same wage to a youth as to an adult, they will in most cases choose the adult as the better investment.

Any consideration of pay is muddied by the fact that, with deductions for taxes and fringe benefits, what the employee receives bears so little visible relation to the employer's true labor costs. A youth's weekly check may look like a pittance, while the employer may be paying more than the youth's marginal value; *neither* side, then, has much incentive to continue the relationship. In such a case external monetary or in-kind incentives may tip the balance in favor of employing young people.

Incentive Effect of the Minimum Wage

Congress, by raising the minimum hourly wage to $2.90 in 1979, has marginally *increased* the incentive for a youth to seek an entry-level job, and *decreased* the incentive for an employer to accept a youth in such a job. While many observers have advocated a lower minimum wage for youth than for the rest of the work force, their arguments have to do with making employment more attractive to employers, not to employees. (The same goes for the recently enacted tax credit.) Even the prospect of $2.90 an hour will scarcely whet the appetites of jobless youth in the major urban areas of concentrated unemployment with which this report is concerned.

Table 1 shows that employment in New York City at the minimum wage actually means a net take-home pay of $62.96 per week or $1.68 per hour.

TABLE 1. Estimated Cost of Working: Urban Youth Employed at Minimum Wage ($2.90 per hour) in New York City

	Per Week	*Per Hour*
1. Gross earnings (37½ hours per week)	$108.75	$2.90
2. Deductions from pay		
a. Social Security FICA tax	6.58	
b. Federal, state and city taxes	12.46	
c. Medical insurance	7.25	
d. Total deductions	26.29	0.70
3. Gross take-home pay (Line 1 less line 2d)	82.46	2.20
4. Work-related expenses		
a. Travel	6.25	
b. Food	10.00	
c. Clothing	1.25	
d. Miscellaneous	2.00	
e. Total cost of work-related expenses	19.50	0.52
5. Net take-home pay (Line 3 less line 4e)	$ 62.96	$1.68

The figures are derived as follows:

Line 1—Gross weekly earnings are based on the average workweek of 37½ hours.

Line 2—Deductions from pay. Lines 2a and 2b are obligatory taxes withheld by the employer.

Line 2c represents an estimate of how much the youthful employee contributes toward medical care and life insurance. Fringe benefits vary widely from one employer to another, not only in scope and size but in the proportions between contributory and noncontributory benefits, etc. On the whole, however, $7.25 is a rather low rate of employee contribution, more typical of large than of small businesses.

Line 2d shows total deductions.

Line 3—Gross take-home pay is the difference between gross weekly earnings and deductions.

Line 4—Work-related expenses are those directly incurred by the employee, rather than withheld by the employer. Their impact is all the greater because unemployed youths as a rule do not yet have the benefit of the fixed investments associated with permanent employment—clothes to go to work in, a car, or a commuter pass.

Line 4a assumes that the youth travels by the cheapest means, public transport, at a modest $1.25 a day. (The Bureau of Labor Statistics estimated average travel costs in 1977 at $9.29 per week).

Line 4b, allowing $10.00 per week for food, is similarly conservative. Most young people would have a hard time limiting themselves to $2.00 per day for lunches, snacks, and beverages.

Line 4c, the cost of additional clothing expenses for working, is derived from BLS studies.

Line 4d, "Miscellaneous," accounts for the odds and ends of work-related costs that do not fit under travel, food, or clothing.

Line 4e totals the young person's work-related expenses.

Line 5—Net take-home pay is the difference between Line 3 and Line 4e.

Table 1 lists the costs incurred by a young person in connection with employment. Beyond that, however, the youth has to meet expenses for self-maintenance or personal care, as for example, cleaning and repairing clothes, hairdressing, toiletries, etc.

In addition to caring for themselves, young people are obliged to help maintain a home. If they are entirely self-supporting, the weekly cost will be $58.26 per week (based on BLS's Urban Family Budget (lowest level) for a single person aged less than 35). Even a "dependent" youth, however, is normally expected to contribute something to the family upkeep; we assume a nominal $10.00 per week.

What remains in the "dependent" youth's pocket at the end of the week for discretionary spending is $42.96, which, in a large city, does not go very far. The self-maintaining youth, with a deficit of $5.30, can hardly be criticized for asking, "Why bother?"

As an empirical check against the estimates of table 1, Vocational Foundation, Inc., a respected private organization in New York City with long experience in finding jobs for the hardest-to-employ youth, ran a survey of its clientele in late 1978. The results confirm that table 1 is conservatively drawn. The survey is not offered as representative of *all* youth, but merely as a sample of supporting evidence.

A detailed questionnaire was submitted to a representative sample of 100 VFI youths then holding jobs; 53 replied. The great majority of the respondents were black or Puerto Rican; 67 percent were males; 65 percent had not finished high school; the average age was 19. For 20 percent of them, the present job was their first, whereas 80 percent had held one or two jobs before.

The respondents earned, on average, $118.90 a week, somewhat above minimum wage. Gross take-home pay, accordingly, averaged about $95 a week.

Work-related expenses consistently *exceeded* those shown in table 1. Travel, for example, was mainly via public transportation at an average cost of $7.00 a week, as

against the $6.25 shown in table 1. Expenses for food came to about $12.50 a week, as against $10.00 in table 1. (Almost all the respondents, including those who brought food from home, bought some meals at work. Many purchased breakfast, lunch, and a snack.) As for clothing, by contrast with the estimate in table-1 of $1.25 a week, the VFI group reported spending an average of $22.00 a week. The more recently a youth had begun working, the more he or she was likely to be spending on work clothes—and on leisure clothes as well.

Our figures for self-maintenance and home maintenance also proved to be on the low side. Seventy percent of the VFI respondents were living with their families, and all but one contributed earnings to the household. The average contribution of $32 a week was considerably above table 1's estimate of $10 a week for self-maintenance and $10 a week for home maintenance.

All in all, the VFI clients strongly confirmed the "bottom line" of table 1. Three-fifths of the workers finished the week with negligible amounts of net spendable income. The other two-fifths actually spent more than they earned. These findings are all the more noteworthy in light of the fact that VFI devotes considerable effort to training its clients to manage their limited finances with care.

In order to point up the incentive effect attainable through relief of particular costs, table 2 restates table 1 in terms of the *percentage* relation each item bears to gross weekly earnings. For example, if the youth did not have to pay Social Security, 6.05 percent of gross earnings would become additional spendable income. If both Social Security and income taxes were forgiven, spendable income would increase by 17.5 percent of gross earnings.

Practitioners and economists working in the field of youth employment should find it useful to refer to table 2 when they design ameliorative programs.

TABLE 2. Incentive Effect of Changes in Deductions or Costs for Youth Employed in New York City at Minimum Wage

	Amount	Percent
Gross weekly earnings	$108.75	100.00%
Deductions from pay		
Social Security tax	6.58	6.05
Federal, state, city taxes	12.46	11.45
Medical insurance	7.25	6.66
Total deductions	26.29	24.16
Work-related expenses		
Travel	6.25	5.74
Food	10.00	9.19
Clothing	1.25	1.14
Maintenance (self)	10.00	9.19
Miscellaneous	2.00	1.83
Total expenses	29.50	27.09

The employer's situation, as shown in table 3, is the inverse of the youth's. Whereas expenses eat away the employee's weekly earnings, leaving a limited amount behind, the employer incurs out-of-pocket costs that raise the true price of a minimum-wage

employee to well above $2.90 per hour. (Other applicable costs, such as training, bookkeeping, and administration, are much harder to quantify, but they are far from negligible.)

Table 3 spells out the employer's out-of-pocket costs for each additional employee at the minimum wage. These costs vary considerably according to state, employment experience, benefit policy, and average salary levels. For ease of presentation, we have arbitrarily selected New York State and calculated on the basis of two fairly distinct types of employers: (1) the large enterprise, headquartered in the central business district but with plants and offices outside the city; and (2) the small business, located at the fringes of the central business district, in a poverty area, or in the suburbs.

TABLE 3. Estimated Cost per Week Incurred by Employers for Minimum-Wage Employees in New York State

	Large Employer		Small Employer	
	Dollars	*Percentage of total cost*	*Dollars*	*Percentage of total cost*
1. Wages (37½ hours @ $2.90 per hour)	$108.75	63.2%	$108.75	81.2%
2. Social Security (FICA)	6.58	3.8	6.58	4.9
3. Unemployment Insurance				
a. State	4.34	2.5	4.34	3.2
b. Federal	.08	0.1	08	0.1
4. Workmen's Compensation	3.13	1.8	.76	0.6
5. *Total compulsory payments (Line 2 + line 3 + line 4)*	14.13	8.2	11.76	8.8
6. Supplemental benefits	49.16	28.6	13.41	10.0
7. *Total nonwage payments (Line 5 + line 6)*	63.29	36.8	25.17	18.8
8. *Total direct cost to employer** *(Line 1 + line 7)*	$172.04	100.0%	$133.92	100.0%

*$172.04 per week = $4.59 per hour
$133.92 per week = $3.57 per hour

Lines 1, 2, 3a, and 3b are straightforward, identical for both types of employer.

Line 4— Employers pay Workmen's Compensation in many different ways. Here we have assumed that the small employer pays the statutory minimum, while the large employer pays an additional $2.37 per $100 of payroll to an outside carrier.

Line 5—Total compulsory payments are the sum of lines 2, 3a, 3b, and 4.

Line 6—The difference between large employer and small employer is most striking in the area of supplemental benefits. A rich medical package would cost about $38 per month per $1000 of annual salary. In addition, we have assumed $10 per month per $1000 annual salary for major medical, and 20 cents per $1000 annual salary for life insurance. The small employer's cost of $13.41 per week is based on the more restricted package normally offered by such an enterprise.

To summarize this chapter: The object of table 1 is not to suggest that youth in minimum-wage jobs are worse off than anyone else at that wage (although they are, in fact, a bit worse off, for reasons mentioned in the discussion of line 4.) Its object is to highlight, with hard figures, just how small is the monetary attraction of such a job as against the pull of the "other" economy. Similarly, table 3 illuminates some of the realities faced by an employer when considering whether to hire a youth. Together they plead the case for monetary incentives to tip the balance on the side of youth employment.

3

Incentive Pilot Programs

Advocating the desirability of incentives is one thing. Designing workable programs to provide them is quite another. No aspect of our study provoked as much debate within the National Advisory Committee as incentive programs. The hazards are many, but the stakes are too high to pass up this opportunity. In the end it was determined that we should propose several programs but state the objections forthrightly. Some objections are noted in the pilots themselves. A few broader points are considered up front.

Most incentive programs under CETA and other federal legislation have focused on the employer, as for example, subsidies for employing or training youth, tax credits, etc. This approach has had mild success (the new Targeted Job Tax Credit looks as if it may improve on it) but suffers from the fact that large employers are disenchanted with taking federal funds when their acceptance entails so much surveillance and red tape. Small employers are fearful of anything that smacks of government intervention. So we have turned our attention to incentives for youth, but with an eye toward the long-term equity of wage structures and employers' incentive systems.

The pilot programs that follow propose three ways of making a minimum-wage job yield more net spendable income for a disadvantaged youth during the period of transition, without cost to the employer. The first pair reduce the amounts withheld from the paycheck by forgiving (1) Social Security taxes and (2) income taxes. The third adds income by way of sizeable awards for job retention. The fourth makes a connection between the ghetto and distant labor markets and cuts the costs of getting to and from work. Each approach can be applied separately or in conjunction with other programs.

Among the arguments raised against the proposed incentives are these:

- Incentives represent preferential treatment of disadvantaged youth.
- Black adults need jobs before youth do.
- Forgiveness of taxes is a bad precedent.
- Non-disadvantaged youth are excluded.

These objections carry great weight, but forceful arguments can be mustered on the other side as well:

1. The preferences contained in our proposals are less expensive than those which have long been granted in the allocation of public-service jobs and in other accepted remedial programs. When one is trying to relieve a structural problem, preferences are almost a necessity. These are transitory, limited in scope, subject to strict criteria, and directed toward long-range benefits for all of society.

2. It is possible, but unlikely, that temporary incentives for disadvantaged youth may harm the employment prospects of their parents. Parents are not competing for the same jobs or CETA funds.

3. Although in a technical sense our proposal recommends tax forgiveness, the reality is otherwise. The bulk of income taxes withheld from minimum-wage employees is rarely owed to government; these employees, if they pursue their rights, can recapture all or most of it. Our program merely eliminates the two bureaucratic steps of collecting and refunding the money. The youngsters we are trying to help cannot anticipate a refund; withholding is an immediate loss of take-home pay rather than a deferment. In effect, the tax system creates gratuitous disincentives for young people to work. As a result, the general public has to pay taxes for employment programs, crime control, and prisons for youth who fail to make a connection to the world of work. It is more important for them to become economically self-sustaining than to become taxpayers. Once they get beyond the incentive stage, they will be paying taxes for the rest of their lives.

4. The fear that preferred treatment of disadvantaged youth may offend co-workers (youth or adults) in the same workplace and thus cause difficulties for employers, may or may not be valid. To minimize the risk, these incentive programs are purely *voluntary*. If employers do not want to take part, they need not do so. They are free to hire disadvantaged youth with or without incentives. Aside from this, many small employers employ no more than one or two people anyway, which would make disruption unlikely.

Incentive proposals do present problems, but the issues of policy, equity, and design cannot be worked out in detail until sponsoring institutions decide to tackle them. All the more reason, then, for proceeding gingerly and experimenting with controlled pilot programs rather than plunging ahead with new legislation and massive multimillion-dollar commitments at the national level.

INCENTIVE PILOT PROGRAMS IN BRIEF

Pilot Program No. 1—Exemption from Taxes

a. **Exemption from Social Security Taxes.** To increase incentives for employment in entry-level jobs, exempt a clearly defined sample of youth and employers from Social Security taxes for up to six months.

b. **Exemption from Federal, State and City Income Taxes.** To increase the incentive to work, exempt disadvantaged youth earning less than $3.00 an hour from *all* income taxes during one calendar year.

Pilot Program No. 2—Job Retention Award (JRA). As an incentive for youth to seek and hold entry-level jobs, grant them tax-free cash awards at three intervals within the first six months of employment.

Pilot Program No. 3—Youth Transportation to Work. A pilot Jobs Transportation Service would help connect inner-city youth with jobs available throughout the metropolitan area by eliminating cost disincentives and providing and arranging transportation services.

Pilot Program No. 1a
Exemption from Social Security Taxes

To increase incentives for employment in entry-level jobs, a clearly defined sample of youth and employers would be exempted from Social Security taxes for up to six months.

Strategy

In one pilot city, up to 1,000 youths would be exempt from Social Security taxes for as long as they are employed at a wage of $3.00 an hour or less, up to a maximum of six months. To qualify, a youth would have to be aged 17 to 21, have earned not more than $3,000 in the previous 12 months, and not have been previously employed for more than six months by an employer in the program. A young person would be disqualified if he or she had previously taken part in a CETA program or if the family income exceeded $12,000 a year.

The employer would also be exempt from paying Social Security taxes on the wages of participating youths.

Since outreach would be essential, the pilot city should have a well-developed association of employers, especially of small employers (e.g., Cleveland), which would advertise the program effectively. The program itself would be run by the local prime sponsor, with the hoped-for cooperation of state and national governments. All state employment service offices in the city would communicate with employers about the program and refer candidates.

Participating employers would be certified in a one-time procedure for a one-year trial period. Certification would involve a single standard affidavit committing the employer to (1) make no deductions from the paychecks of participating employees who certify their age and previous year's income, and (2) report to the prime sponsor the name, Social Security number, and length of employment of each youth in the pilot program.

Cost-Effectiveness

The incentive for the youth would amount to 6.05 percent of gross pay, equivalent to 10.45 percent of net take-home pay (after deductions and expenses) at the $2.90 per hour minimum. The incentive for the employer to employ disadvantaged youth is, similarly, a reduction of up to 5 percent of total wage costs at the same time that the youth's net pay is increased.

Administrative costs would be minimal, consisting mainly of small additions to the costs of operating existing programs. The only additional cost of the program would be for advertising. The program need not deplete the Social Security fund, which could be reimbursed with discretionary CETA money available to the Secretary of Labor. Thus, CETA funds would go to solve the problem of disadvantaged youth by reducing direct tax costs to the youth and the employer, thus increasing the financial incentives for both. The maximum cost per youth per six-month period (provided that the youth remains employed at the minimum wage of $2.90) would be about $342; for 1,000 exemptions, the maximum total cost (assuming 100 percent completion of the six-month maximum test period) would be about $342,000.

Evaluation

An informal survey of employers would be conducted by telephone at 30 days, three months, and six months, to ascertain (1) how long the employment relationships have endured, and (2) the number of employers and youths who have taken advantage of the program. A sample survey would ask employers and youths what they think of the program. Similar inquiries would be made of local branches of the Chamber of Commerce,

National Association of Manufacturers (NAM), and other groups. Participating employers would be compared with a control group of nonparticipating employers with respect to (1) the ratio of 17- to 21-year-olds to the total work force of each employer, and (2) the retention rates of these 17- to 21-year-olds.

Potential Sponsors

This simple model would test the broad aspects of the proposal, suggest the criteria for expansion, and identify future control needs. Besides being attractively simple, the pilot proposal should be acceptable to the Secretary of Labor and other administrators because of the apparent success of a similar experiment conducted in France in 1977–78. This program, The National Pact for Employment, launched by the French government in April 1977, was designed to create new jobs for all young people who would be ready to enter the labor force the following autumn. Employers were granted exemption from Social Security taxes for up to a year for each employee under age 25, and the exemptions were tied to training programs. All reports from France indicate a major success: youth unemployment decreased by more than 5 percent, and aggregate unemployment also decreased. (See Labor Attache Report E.O. 11652, 10 March 1978, available from the Office of International Labor Affairs, U.S. Department of Labor.) These results are encouraging despite the fact that in France the "take" of these taxes is greater than in the United States—as much as 40 percent of the gross wage may be involved—and there are other important differences that limit our reliance on that experience.

Future expansion would require the support of the Secretary of Labor and the relevant committees of Congress. CETA legislation would have to be amended to allow the Secretary of Labor to transfer CETA money on a continuing basis into the Social Security fund, but this should present little difficulty since reductions in other CETA costs, welfare payments, and anticrime expenditures would balance losses in revenues. State and local agencies should find the program attractive, because costs would be minimal and the prospects for expansion excellent. Employers would see it as a wage-cost reduction that could offset some part of the perceived disadvantages of hiring inexperienced youths.

Pilot Program No. 1b
Exemption from Federal, State and City Income Taxes

> To increase the incentive to work, disadvantaged youth earning less than $3.00 an hour would be exempted from *all* income taxes during one calendar year.

Strategy

In one pilot city with high income taxes (e.g., New York City), a sample of disadvantaged youth not benefiting from other programs would be exempted from federal, state, and city income taxes. These youth would be held immune from paying any income taxes during the test year.

Participating employers would receive special payroll-tax instructions and authorizations to exempt new youth workers from all income tax withholding. They would be certified for the one-year trial and entitled to a special tax credit of 3 percent of the payroll of participating employees. One or more prime sponsors and the local state employment agencies would communicate the test program to employers and certify the eligibility of prospective employees.

New York City would make a good test case, because its high income-tax scale would increase the value of the exemption. At the minimum wage, federal, state, and city income taxes amount to $12.46 per week, or 11.45 percent of gross earnings.

However, $12.46 is equivalent to a 20 percent increase in net take-home pay after deductions and expenses ($62.96). Although many of these youth might be eligible for a tax refund in the following year, most are unaware or suspicious of this procedure and look only at the take-home pay envelope. An increase of $12.46 per week would be a substantial incentive to work.

Cost

The revenue loss to government would be minimal. In fact, the social savings, the reduction of indirect costs, and other savings would offset tax losses. The program would be simple to administer.

The total taxes withheld would amount to $667.44 per youth per year in New York City and would be shared by federal, state, and local governments. An additional, but much smaller, cost would be the tax credit to employers.

Evaluation

An informal survey of participating employers would be conducted to ascertain the effects on employment retention rates, which would be compared with those of a control group subject to normal income taxes.

Limit the program test to one key city with high income taxes, as for example, New York City. Allow a one-year test in order to measure the broad impact and to obtain adequate experience. If the program succeeds, consider extention to other urban areas for more careful analysis, with long-term controls, of the program's impact.

The concept would be fairly simple to test. costs would be fixed, and the system would be administered only by certified employers.

Potential Sponsors

The idea of exempting youth from taxes and giving employers tax credits has been tested in France. Its apparent success in another Western industrial nation should increase the attractiveness of this program to administrators in this country (see Pilot Program 1a).

The program would require the support of the Secretary of the Treasury, the Secretary of Labor, the governor, and the mayor. The revenue losses are expected to be more than offset by a reduction in the social and economic costs of youth unemployment. It should be remembered that the maximum cost per youth ($647.92) is about 9 percent of the cost of a public-service job ($7,000 per year).

Pilot Program No. 2
Job Retention Award (JRA)

As an incentive for youth to seek and hold entry-level jobs, grant them tax-free cash awards at three intervals within the first six months of employment.

Strategy

While there are no hard data concerning the average length of time young people hold jobs, there appears to be a pattern of frequent movement into and out of jobs. Generally, job tenure lengthens with age (see *National Longitudinal Survey of Young Men*, DOL Research Monograph 16), and periods of unemployment grow shorter. The data suggest that minority members achieve long job tenure less frequently than whites do, and when they do achieve it, it is at a later age. There are strong indications that the short job tenure of young people is often related to the meager incentive provided by low wages.

This program proposes to increase the incentive for staying on the job by offering cash awards contingent on continued employment. These are comparable to managers' qualified deferred compensation systems or the attendance awards provided for blue-collar workers in some union contracts.

It has been suggested that learning to avoid absenteeism and tardiness may be as important to the youth as learning to hold a job and, therefore, attendance and punctuality might also serve as suitable criteria for awards. In practice, however, a youth is unlikely to retain a job unless he or she maintains reasonable standards of attendance and punctuality. Thus, the job retention award (JRA) implicitly rewards these achievements as well as length of service.

Under the direction of an effective prime sponsor, a JRA program should be open to certified disadvantaged urban youth aged 17 to 21 who attest that they have never held a single job for more than six months. The awards, which would be issued directly by the prime sponsor to the youth upon simple certification by the employer, would be paid in three installments linked to satisfactory service and performance. Eligibility for the program would be limited to a single job. There would be no need for employers to keep special records or submit to federal audit procedures, so red tape would be minimized. However, a control mechanism would have to be devised to ensure that participants did not abuse the program by moving from one prime sponsor to another.

JRA payments, timed to coincide with three critical retention goals, would maintain a constant 92-cents-per-hour incentive increase, equal to 31.72 percent of gross earnings as indicated in the accompanying table.

Time Lapse	Total Service	Bonus	Relative Amount per Hour	Incentive Value: Percent of Gross Earnings at Minimum Wage
30 Days	30 Days	$150	$0.92	31.72%
60	90	300	0.92	31.72
90	180	450	0.92	31.72

Net Incentive Effect of Bonus

Gross Weekly Earnings	$108.75
Net Take-Home Pay after Deductions and Expenses	62.96
Gross Value of JRA (Per Week)	34.50
Net Value of JRA—55 Percent of Net Take-Home Pay	

162.5 Hours per Month × $2.90 = $471.25
37.5 Hours per Month × $2.90 = $108.75

The award would increase net take-home pay by as much as 55 percent, a substantial incentive. The minimum wage of $2.90 produces, as shown in table 1, a net take-home amount of $1.68 per hour, leaving the young worker approximately 42 percent of gross earnings after deductions and expenses related to work. The award, the equivalent of an added 92¢ per hour, would increase net take-home pay to $2.60, which is about 90 percent of gross earnings.

Administration would be kept to the bare minimum. To receive payment of the award, the youth would present a certificate of service to the prime sponsor upon successful com-

pletion respectively of 30, 90, and 180 days of work. Certificates would be preprinted in a book of check-like forms (with carbon copies) that the employer would execute and certify. Each certificate would show the employer's name, address, and identification number and the employee's name, address, job title, and Social Security number. (This would indicate whether an employee has drawn payments in excess of $900.)

Cost

Cost per youth would vary from zero (for those who drop out prior to 30 days of work) to a maximum of $900 (for those who complete 180 days on the job). If the average turnover occurred after 90 days but before 180 days, the average cost would be about $450 per youth. The $900 maximum is a small fraction of the $7,000 it costs to create a public-service job. In this instance the $900 "cost" is preferable because it signifies success. No monies would be disbursed unless the minimum goals of the pilot project—30 days of satisfactory performance on the job—were achieved, and no participant would receive awards for continued employment beyond 180 days.

Value to Youth

For youth, the JRA has a high potential value. It would be tax-free income paid in three lump sums of increasing size while maintaining a fixed proportionate incentive throughout the 180 days, and it would provide forced savings without requiring excessive waiting periods to gain the reward. The waiting periods would double after 30 days and again after 90 days. After 180 days, attachment to the job and the world of work should persist without further awards. By then, the youth will have gained essential work experience and the basic ability to hold a job, and attachment to the job may have been reinforced by promotion.

For the employer, the program provides an additional incentive to attract, train, and retain youth. It should reduce turnover and absenteeism in the typical low-paying youth job. Further, since the payments are administered by the prime sponsor, the employer incurs no added administrative cost and remains free from financial involvement, audit, and regulation. The potential impact of this program is unlimited.

Potential Sponsors

The program would require the support of the Secretary of Labor, but it would fit nicely into CETA allocations. It would require no startup cost and could be discontinued quickly if it didn't achieve its objectives. Flexibility, wide applicability, low cost, and high payout all commend this idea.

Evaluation

The pilot program would be tested against the following objectives:

- Attract youth to entry-level jobs.
- Retain youth longer, in anticipation of successively larger awards.
- Enhance the attraction of monetary incentives by accumulating them in relatively large lump-sum tax-free amounts.
- Channel cash incentives directly to youth, *without* funds being handled by employers —most of whom dislike federal regulation and audits.
- Provide an effective cost/benefit ratio as compared with public-sector employment.

Pilot Program No. 3
Youth Transportation to Work
(Jobs Transportation Service)

A pilot Jobs Transportation Service would help connect inner-city youth with jobs available throughout the metropolitan area by eliminating cost disincentives and providing and arranging transportation services.

Problem and Strategy

Transportation can be an employment problem for youth in several ways. One is simple expense. Jobs are widely dispersed in metropolitan areas, and the cost of public transportation is rising sharply. In Washington, D.C., for example, the round-trip fare for an inner-city youth who takes a job just inside the city's "Beltway" is about $2.30 per day, or $11.50 per week. This is not a negligible amount of money for a young person working at the minimum wage. Eleven dollars and fifty cents a week is above average, but even the average is substantial. Based on actual consumer expenditures, the Bureau of Labor Statistics' Urban Family Budget includes $9.29 per week for transportation to work.

These are the kinds of costs that have to be considered in determining what the economic incentive is for youth to work at the minimum wage. The "costs of work" have to be deducted to arrive at real take-home pay.

The problem of transportation costs is shared by youth throughout any metropolitan area. But inner-city youth have a second transportation burden. By and large, public transportation systems were developed to funnel a population living outside the center of the city to jobs inside it. Transportation lines originate in residential areas and are routed to business and commercial areas in the center city. In many cases, the same lines pass places of work on the outskirts of the city or in the suburbs, but often they don't. Threading one's way across the city to jobs within the city may be even harder; although it can often be done, it may require several transfers and a great deal of time.

To make things worse, employment opportunities in the private sector are increasing more rapidly outside the central city than they are inside. This is particularly true in the service industries, where youth under 19 are most likely to find employment, and in factories where they would prefer to work if jobs could be made available.

A "transportation strategy" is proposed as a pilot effort, that would differ from past efforts in two major respects. First, it would be a comprehensive system and not just, for example, a "special" bus service; second, it would be viewed as a supportive service to the community's many youth employment efforts rather than as an independent service.

The need for flexibility and comprehensiveness is pointed up by the experiences of special bus services that have been declared failures after a period of successful operation because the riders have become more prosperous and formed car pools. Failure was a misnomer in this instance, since the service had achieved its main objective—linking unemployed workers to otherwise inaccessible jobs. By the same token, as long as a comprehensive strategy succeeds in removing the transportation barrier to the initial employment opportunity, it will have served its purpose.

Description of Pilot

The pilot program would be a Jobs Transportation Service to be tested in one or more communities. The service would work through existing youth-employment programs and agencies and act as a supportive service. To assure this, representatives of these

agencies would be asked to serve on the board of directors of the Jobs Transportation Service. The board would include representatives of:

- The public employment service (city and suburban)
- The CETA prime sponsor
- National Alliance of Business (NAB)
- Human Resources Development Institute (HRDI)—AFL-CIO
- The public transportation authority
- Other major employment-assistance programs, such as OICs of America
- Representatives of employing organizations.

It is particularly important to involve employers at the outset because they will be doing the hiring. Employers also may be willing to provide some financial assistance, since the service will improve their access to workers.

Establishment of a Jobs Transportation Service should be preceded by a study of the relationship between job availability and existing transportation routes to determine insufficiencies and provide information on where supplementary services may be needed. Assistance in conducting such a study could be provided by both the public employment service and the public transportation system, under the supervision of a local university or college.

The comprehensive services offered could include the following:

- *Analyses* of mismatches between job and transportation availability, for use by local employment and public officials.
- *Free passes* on the existing public transportation system for inner-city youth commuting to work (modeled after systems used by public schools for students) with the cost paid by the Jobs Transportation Service. There is considerable experience in providing free passes to public school students, as for example, by the Board of Education in New York City. This would be a direct financial incentive for inner-city youth to take available jobs.
- *Shuttle services* to areas of high concentrations of jobs available to youth, leaving from centrally located spots in the inner city.
  - —Working out arrangements with out of city employing establishments.
  - —Negotiating with large factories located outside the city to provide shuttle services.
  - —Operating shuttle systems with public funds where they can be obtained as part of the project.
- *"Routes to Jobs,"* supplying information on ways employing establishments can be reached through public transportation systems.
- *Car-Pool Brokering* to form car pools for those wanting to commute to distant jobs.
- *Negotiations* with the public transportation agency, representing the interests of inner-city residents in areas of job concentration.

The objective of the project is to solve transportation problems encountered by urban youth and to widen access to job opportunities in the private sector throughout a metropolitan area. The mix of the above services would depend on the community, and the nature of its transportation system. Any assistance provided should be for a specified duration; when changes are made, they should be phased in gradually.

One of the advantages of a comprehensive service lies in its ability to shift the form of the service with the need. For example, if a shuttle system was installed to open new employment opportunities in a new factory outside the city, the agency could assist in the creation of car pools, in order to reduce the need for the shuttle and the expense of subsidizing these particular job opportunities. It would always be looking for the least costly method of meeting transportation needs.

The operation of such a transportation service might itself provide some degree of

employment and training opportunity for youth, although that would be only a side benefit. Vehicle maintenance and repair would be one possibility.

Impact

The degree of impact depends upon the degree of the mismatch between job availability and transportation availability. Beyond that, there is the fundamental question of the extent to which the free transportation will increase the economic incentive for youth to take jobs that are available at the minimum wage.

Little attention has been paid to the transportation factor in employment. Therefore, it is not possible to make reliable estimates, which, in any event, would depend on the location of the pilot. The level of impact, however, would be one of the major questions the project would seek to answer. For that reason, it would be highly desirable to have several pilot programs in a number of communities, to provide a better perspective on the probable impact of the program on different kinds of communities.

The larger impacts may be in a general raising of consciousness concerning the necessity for adequate transportation linked to job availability, and its translation into (1) improvements in regular public transportation systems and (2) taking access into account in the location of new factories.

Feasibility

Feasibility is enhanced by making the service comprehensive, so that it is not dependent on a single approach, and so that it can shift its emphasis as the nature of the problem changes. The service is more likely to be successful if it operates as a supportive service to the whole of the community's youth-employment programs. Financial feasibility will hinge on how imaginative the managers of the service are. For example, minibuses could be more fully utilized if they were used for two-way traffic in shift work or to make deliveries from employer locations to in-city destinations.

One question to be considered is whether to include adults as well as youth. For although transportation is dealt with in this project in relation to youth, it poses a problem for adult job seekers as well. A pilot program geared toward both needs could very well start with youth and then expand to include adults too, as resources permit.

There will be a problem in finding the right administrative approach to making public transportation free for commuting to work. This means finding ways to avoid abuses, such as (1) using "passes" for nonwork purposes and (2) trading in passes for money. One possibility is to have employers of the youth validate the passes, so use is limited to the purpose intended.

This is not a simple project, for it involves knowing the location of job openings, the preferences of youth, and the most practical ways to handle the transportation link. On the other hand the problems are not unique and will yield to creative people with practical experience.

Potential Sponsors

This is not the kind of program usually administered by agencies, except, perhaps, by the local transportation authority. It is possible that it could operate the service as a subsidiary, on a break-even basis, using public and foundation funds. Another possibility is the leasing of buses from the transportation authority, which might solve the difficult problem of insurance that might arise if the buses were owned by the transportation service.

Since the service would serve the interests of employers by increasing their access to a labor supply, it could, conceivably, receive some support from employer organizatons. There might not be much interest in a metropolitan area with a general labor surplus. Probably the best locations would be in economically healthy metropolitan areas, with pockets of unemployment in the inner city.

The transportation service would be in the self-interest of a host of employment ef-

forts on behalf of youth. It is conceivable that a consortium of youth-serving agencies could sponsor a Jobs Transportation Service, which would serve all of them.

Cost-Effectiveness

As a supportive service, transportation can increase the cost-effectiveness of youth training programs as against public-service job creation, by opening up jobs on a wider geographical basis to those who have completed training.

Achieving an effective program at minimum cost will depend on a willingness to shift the nature of the services as the nature of the transportation problem changes; it will not be cost-effective to continue to run a shuttle system when most of the riders have shifted to individually owned cars or car pools.

The sources of funding might be as follows:

- In-kind assistance from the public transit authority
- Demonstration grants from the Department of Transportation
- CETA, nationally, or from local prime sponsors
- Cost sharing among all the youth-serving agencies and programs
- State and local economic development programs
- The Department of Housing and Urban Development.

Pros and Cons

The advantages are:

- Wider geographical access to jobs for inner-city youth
- Greater financial incentives for youth to take available minimum-wage jobs
- A less expensive approach than job creation, wherever jobs can be developed through removing transportation barriers
- A supporting service that could improve the effectiveness of existing training and development programs.

The disadvantages are:

- A fairly complex administration is involved.
- Previous transportation programs have failed (but a comprehensive and supportive approach will make a difference).
- The free-pass system may be open to abuses (but these can be minimized by careful planning).

Evaluation

The criteria by which the pilot should be evaluated are the following:

- Was there careful prior study of the location of jobs relative to the availability of transportation and the location of youth needing transportation?
- Is transportation enough of a barrier to employment to make such a program worthwhile?
- Can a system of transportation passes be operated without extensive abuses?
- Does free transportation seem to increase the attractiveness of minimum-wage jobs?
- What range of transportation services is needed?
- Does such a project result in improvements in the regular public transportation system?

4

New Enterprise

The largest challenge in a jobs strategy for urban youth is to find new ways to increase private-sector employment experiences. These employment experiences still elude central-city youth. Efforts to date, therefore, have focused mainly on providing jobs in the public sector, or providing public training for jobs that are supposed to exist in the private sector when training is completed. The new Private Industry Councils under CETA are a promising development in this area, but are presently only a form of private participation in decision making. Practical programs still must be invented.

We propose experimentation with a number of approaches to creating small new business enterprises of the kind in which youth can gain experience. There is a need for enlarged opportunity for youth participation in decision making; there is a need for experience in private-sector kinds of activities; there is a need for income; and there is a need for settings in which the potential leaders in organizing and entrepreneurship have an opportunity to develop and emerge.

NEW ENTERPRISE PILOT PROGRAMS IN BRIEF

Pilot Program No. 4—Youth Enterprise. We need to find ways to create youth-operated enterprises to (1) increase opportunities, (2) provide outlets for youth leadership abilities, and (3) provide training in management and entrepreneurship. This is a pilot Youth Development Corporation.

Pilot Program No. 5—Regularizing Odd Jobs. A contract-service organization can contribute to a substantial reduction in the unemployment of urban minority youth by (1) regularizing odd jobs to increase the supply of full-time jobs, and (2) building in opportunities for upward mobility. To the extent that requisite talents are available, the organization should also be managed by disadvantaged persons.

Pilot Program No. 6—Manpower, Inc, Disadvantaged Youth Employment Service. A temporary employment service, modeled on Manpower, Inc., would enable employers to (1) test-hire disadvantaged youths for up to three months without the financial, administrative, or emotional risks of an immediate permanent commitment, and/or (2) hire them for strictly short-term assignments.

Work in America Institute has been informed that the new Targeted Jobs Tax Credit enables temporary employment services like Manpower, Inc., as well as other employers, to obtain sizeable tax credits against the wages they pay to disadvantaged youth for up to two years.

Pilot Program No. 4
Youth Enterprise

We need to find ways to create youth-operated enterprises to (1) increase opportunites, (2) provide outlets for youth leadership abilities, and (3) provide training in management and entrepreneurship. This is a pilot Youth Enterprise Development Corporation.

Problem and Strategy

The solution of the youth employment problem has become synonymous with the development of programs to prepare youth for employment in institutional settings and in activities planned and operated by adults. In most respects, this is as it should be because (1) large numbers of youth will be helped in this fashion, and (2) most will eventually have to work in large institutional settings.

But not all are best helped by "enrollment" in such organized activities, and not all have to work for large organizations. An unknown but significant number of youth in the inner city have leadership ability and no way in which to exercise it. It is a mistaken assumption that all youth who live in the inner city and are without jobs are unpracticed in organizing, persuading, identifying opportunity, and taking advantage of it. Street life and a wide range of economic activities that, if not extralegal, are not advertised in the Yellow Pages, have given some youth in slums opportunities to develop these talents. They are a base on which to build.

Still other youth have engaged in enterprises which are illegal or border on being so. Whether embraced by the law or not, their experiences are entrepreneurial, and youth engaged in them probably don't make very willing candidates for passive roles in training programs. Whether experienced or not, these youths have talents ready to be applied now and developed further.

But the inner city offers youth very limited opportunity to apply entrepreneurial and leadership talent and develop it. The small family businesses that many youth, in times past, grew up in afforded such opportunity. Families do not have the financial means to provide the stake young people would need to open, for example, an appliance repair shop, even if they had the necessary skills. Schools don't teach entrepreneurial skills; on the contrary, the large public high school system was designed earlier in this century to teach youth the discipline necessary to be workers in large organizations. A student was more likely to be sent to the principal's office for showing up late than flunking a test, and the peal of school bells emulated the factory whistle. Also, CETA training programs all teach the skills of working for somebody else.

It is ironic that a nation that cherishes free enterprise and small business makes little attempt to nurture interest in it and to create settings in which the necessary skills can be acquired.* Inner-city youth are the furthest removed from the possibilities that do exist in the regular market economy.

The strategy developed here is one of stimulating opportunities for youth to gain experience in youth-run enterprises and to be instructed and coached in the skills of running a business. There is, throughout, an emphasis on youth participation and responsibility. At the same time, however, there is a need for adult sponsorship and assistance if these ventures are to be successful enough to be beneficial.

* Junior Achievement, which familiarizes youth with enterprise, is the exception.

Description of Pilot

The proposal is for the creation of Youth Enterprise Development Corporations in at least two cities.* These corporations would develop one or more Youth Enterprises. The Youth Enterprise Development Corporation would have a board of directors composed of successful businessmen in the community, including individuals successful in starting small businesses as well as managers of large corporations. The board would include youth who have already demonstrated entrepreneurial ability.

Youth Enterprises themselves would be wholly youth operated. The Youth Enterprise Development Corporation would have a small staff to:

- Make market surveys or assist youth in making market surveys.
- Provide assistance to youth in organizing enterprises.
- Provide assistance in operations and instruction in enterprise management.
- Provide necessary start-up financial support.
- Create a revolving fund to receive earnings of enterprises and support new ones.
- Negotiate with private and public employers for contracts to supply services.

The board of directors would develop ideas for youth ventures and review proposals made to them by other sponsors and youth groups. Board members would be chosen on the basis of relevant experience and willingness to give personal time to assisting youth-enterprise ventures.

The individual youth enterprises would be expected to make a profit or break even, but they could not be expected to handle start-up costs without assistance from the corporation. Moreover, each enterprise has an overall training objective that should be paid for by the corporation. It is likely that the corporation could legitimately charge to government, foundation, or other support the cost of that portion of a youth enterprise that performs a training function.

Although considerable care would be exercised in identifying a market and creating a visible enterprise, there can be no guarantee of success. Risk is inherent in the operation of small enterprises, and it would be self-defeating to remove it, even if it were possible. It should be made clear to the participants that small businesses fail for a variety of reasons, including many that have nothing to do with the abilities or the worth of those who run them (e.g., shifting consumer taste, technological changes, recessions).

It will become clear in the further development provided here that there would be a range of enterprises, from high risk to low. A substantial number should have very low risk, if the sponsorship is such that risk can be minimized. There are several models of youth enterprises, with a variety of sponsors. A full community youth-enterprise program would try to develop all of these possibilities.

a. A School Model. Schools can sponsor youth enterprises, with the assistance of the Youth Enterprise Development Corporation. Schools offer a number of potential advantages for school-based youth businesses:

- Students represent a market, with particular needs at particular times (a supply store/book store could operate during the lunch hour, for example).
- Schools purchase goods and services, and could identify products or services that could be provided by a youth-run enterprise.
- Schools have an instructional staff that could introduce training/education components into the operation of enterprises.
- Schools have continuity in their budgets.

There are, in fact, a few school-based enterprises. One of the more familiar forms is the automobile repair service operated by many vocational education classes in auto mechanics.

* This proposal has been in development, in various forms, since late in 1977. In July of 1978 (or thereabouts) a Corporation for Youth Enterprise was formed. Until its operating plans are developed and known, we do not know how closely this proposal relates to the work of the corporation.

In Hartford, Connecticut, through collaboration between the Chamber of Commerce and the school system, a number of school-based enterprises are in operation, based on the ideas of George Richmond, who developed the concept of the schools as a "micro society."

In Indianapolis, Indiana, a school's students run an ice cream parlor and a dry cleaning establishment, and the school is planning to expand the number of student-run enterprises.

A number of youth enterprises exist in the Boston schools.

b. Organization Sponsorship. A number of community organizations are likely candidates to sponsor youth enterprises, and the Youth Enterprise Development Corporation would work with such organizations.

An important example is an organization specifically devoted to teaching high school students the principles of the American free enterprise system, Junior Achievement. This organization is supported by contributions from business, has been in existence since 1909, and has operations in over 1,000 communities. Junior Achievement ventures are short term, are designed for the economic education of students, and usually do not involve any substantial earnings on the part of the participants. But they are possible sponsors of more ambitious efforts involving out-of-school youth and represent an important resource.

A local business association could be the sponsor. There are associations of retail store owners, local manufacturers associations, and so on, that represent potential sponsors. In Montgomery County, Maryland, the National Capital Area Automotive Trades Association sponsors a mini-auto dealership run by youth in the county.

Substantial effort by a Youth Enterprise Development Corporation may turn up unlikely sponsors. The Federal Reserve Bank of Boston is providing assistance in the development of an in-school restaurant run by students, which serves the elderly of the community.

c. The Corporate Youth Subsidiary. By and large, large corporations do not hire youth under 20 (surveys show this to be true for from two-thirds to three-fourths of corporations). One way to maintain existing hiring and personnel policies in *regular* operations is to create a Youth Subsidiary. This involves the identification of some corporate operation or service that could be handled by juniors. What this segment might be would vary with the nature of the enterprise and with the inventiveness of the management. It might be easier to identify when a new plant is being opened, or when a new product or service is being introduced. It could be:

- A Youth Subsidiary to promote or market a product or service in the teen-age market.
- A component of production (probably in a new plant) that could be handled by youth.
- An enterprise that youth could run, with some adult management, to provide a product or service identified by the parent corporation through its own market research.
- The production of something that the corporation now buys from others, and would buy instead from a Youth Subsidiary, which it would organize.

The ventures would be established as a combination of good business and community service, but with the expectation that the long-run benefits would be wholly in the profit interest of the corporation. These long-run benefits would be:

- Helping to preserve the economic viability of central cities.
- Persuading young people to regard corporations as willing to help, rather than as hostile.
- Developing youth who can become valuable employees in regular operations.
- Reducing the need for public-sector efforts paid for, in part, by corporate taxes.

The skilled employees and executives of the parent corporation would be encouraged to help the Youth Subsidiary. There could develop some degree of competition among corporations, as to which ones are most successful at creating Youth Subsidiaries. And corporations could capitalize on the sales value of their efforts in promoting their products and services to the public. The Youth Subsidiaries could also be the recipients of training funds from the new Private Industry Councils under CETA.

The Youth Enterprise Development Corporation would attempt to interest corporations in establishing Youth Subsidiaries.

d. Other. While sponsorships of the kind described would be desirable, they are not always necessary. The Youth Enterprise Development Corporation can work directly with groups of youth. A number of young people can go to the corporation with an idea and get assistance in developing it.

Pride, Inc., in Washington, D.C., developed out of a meeting in which a group of young people approached Secretary of Labor Willard Wirtz more than ten years ago. It has many features of the youth enterprise, including a retail store operated by youth for purposes of training them in management. Pride, Inc., still operating, did not require an organizational sponsor, but it did require the willingness of a Secretary of Labor to take a considerable risk in turning over public funds to young people.

Impact

The variety of possible sponsors and circumstances of youth enterprise suggests that the volume of young people engaged could be significant, although it is unlikely that it could be so large as to employ a high proportion of youth. While somewhat diffuse, the impact of widespread implementation could be considerable because it would reverse the trend toward longer and longer preparation and waiting on the part of youth for experiences of responsibility in the employment world.

If the pilots are successful, the aim of replication would be to create Youth Enterprise Development Corporations, rather than the specific enterprises in which the youth engage. These will vary depending on what ideas are generated locally and what markets exist. These enterprises themselves may generate ideas about products or services that can be transferred to other communities, but it is the support system of the corporation that would likely be essential for launching youth enterprise in new communities.

Feasibility

The examples given above of existing youth enterprises establish that they can be created and operate. Whether or not they can be successfully stimulated through a development corporation is a matter to be tested in the pilot programs. One thing is fairly certain: youth enterprise initiatives are not likely to become a significant option for youth without the kind of encouragement and expertise provided by the structures available in the proposed corporation, and without the endorsement and active support of a community's business leaders.

Potential Sponsors

The possible sponsors of individual enterprises, other than the Youth Enterprise Development Corporation, have been described above. The impetus for organizing the corporation itself could come from

- The Chamber of Commerce
- The local manufacturers association
- A local or state economic development effort
- A Private Sector Initiatives Council
- A Community Education-Work Council
- A voluntary-sector youth agency, such as the YMCA

- A community renewal group, such as New Detroit

Cost-Effectiveness

To the extent that the enterprises operate at break-even, there will be no cost to the public for operations of an enterprise. In fact, the enterprises would be adding to the gross national product (GNP). Where a number of enterprises are operating, earnings in some will offset losses in others. To the extent that they make a profit and return money to the revolving fund, expansion is built in. The public would be justified in putting resources into the enterprise to the extent that the approach includes valid job training, since public funds (in CETA) are used to pay for youth training (e.g., the enterprises of Pride, Inc., are used for training purposes).

There are a number of prospective funders of pilot Youth Enterprise Development Corporations, and some combination would be desirable:

- Contributions from local employers and employer organizations
- Foundations
- Economic Development Administration of the Department of Commerce
- The Comprehensive Employment and Training Act
- The Small Business Administration and Office of Minority Enterprise

Pros and Cons

The advantages of pilot Youth Enterprise Development Corporations are:

- Increase youth employment opportunities.
- Provide opportunities for youth in slums to apply and further develop leadership and entrepreneurial skills they have learned on the streets and in barely legal (if not illegal) economic activities.
- Provide training in entrepreneurship.
- Give wider latitude for youth energies and imagination.

The disdvantages are:

- Success of youth enterprises cannot be guaranteed (although failure can be minimized).
- Youth enterprises may compete with regular enterprises (although having a board of directors composed of the community's businessmen would minimize such danger).

Evaluation of the Pilots

Evaluation of the pilot programs would be for the purpose of answering the following questions:

- Are there sufficient markets for youth enterprises to exploit without unduly competing with established businesses?
- Are the start-up costs reasonable in view of the number of opportunities provided by the enterprise?
- Are local businessmen willing to contribute time? funds?
- Is the failure rate of enterprises too high to make the approach viable?
- Which kinds of organizations are most likely to become sponsors?
- Are there sufficient numbers of youth with the requisite abilities who are interested?
- What do youth finally do after experience in a youth enterprise?

Pilot Program No. 5
Regularizing Odd Jobs

A contract service organization can contribute to a substantial reduction in the unemployment of urban minority youth by (1) regularizing odd jobs to increase the supply of full-time jobs and (2) building in opportunities for upward mobility. To the extent that requisite talents are available, the organization should also be managed by disadvantaged persons.

Problem and Strategy

Strategies for employing urban youth must be responsive to a variety of needs, including employment incentives, skill development, transportation, job access, job creation, and so on. The strategy proposed in this paper is designed to deal with the situation of urban youth who are employable but for whom the opportunity structure—actually or as they perceive it—is limited. It is usually limited by one or more of the following three factors: (1) the lack of a sufficient number of jobs for youth who are willing and able to work; (2) discrimination practiced by employers, which excludes from, or limits, opportunity; and (3) the perception of available jobs as menial, unattractive, and dead end, which serves as a disincentive for accepting them.

It is our contention that expanding and enriching the employment opportunity structure for urban minority youth will contribute substantially to the reduction of their unemployment problem. An increase in the supply of and accessibility to available jobs and an upgrading of their quality will encourage larger numbers of minority urban youth to seek, obtain, and retain employment. To achieve this goal, it is recommended that experimental contract service organizations be established to regularize odd jobs. To the extent that requisite talents are available, the organization should also be managed by disadvantaged persons. This will expand the number of full-time jobs while simultaneously building in opportunities for developing higher level and managerial skills, including the ownership and management of this type of contract service organization. By consolidating work often not being done, this approach will have less of an inflationary impact than any generalized stimulus to the economy for the creation of additional jobs.

The aim is to create a successful and competitive profit-making business that will meet the unmet needs of homeowners, storekeepers, institutions, offices, and plants. The goal is to develop enough customers and contracts to provide reasonably stable, full-time jobs for the youth employees on a year-round basis. The potential market does exist; in New York City alone, building-maintenance and office-cleaning contractors handle a volume amounting to several billion dollars per year, but none of them is minority-owned and none is managed by youth.

If the proposed pilot experiments are successful, a national campaign to organize such services throughout the country is recommended.

Description

Contract service organizations (CSOs) should be established to organize a systematic market for odd jobs—temporary, transient, casual, or seasonal work for households, offices, stores, factories, and institutions. Among the services that could be provided would be maintenance and repair, cleaning of all kinds (carpets, windows, attics, basements, vacant lots, and so on), painting, snow removal, gardening and landscaping, lawn mowing, office services such as addressing and mailing, and escort ser-

vices. Any service that involves intermittent work, susceptible to being regularized to full-time employment, with a potential for profit, would be a candidate for development by the contract service organization. While many such services will be identical throughout the country, others will be unique to certain localities. It is assumed that the very establishment of a CSO will generate additional demand for its services.

The proposed contract service organization will not be a labor contractor or temporary employment service. It will not employ for, or refer registered applicants to, specific short-term job assignments if and when they are available. Instead, it will employ youth on a full-time, year-round basis, usually working in groups, to provide specified services under contract.

It is proposed that the CSO consist of two principal departments. The first is the marketing department. It would survey the community to identify needed services not being satisfactorily performed. It would then canvass potential customers to interest them in the CSO's services. It would cost out the work to be performed and establish a realistic schedule of fees. It would establish a flexible marketing strategy and would be sensitive to seasonal trends to balance winter and summer requirements and to maintain a steady flow of work. Supporting the marketing function would be an effective advertising campaign utilizing direct mail, door-to-door flyer distribution, and public-service television and radio announcements.

The second principal department is operations. This department will be responsible for recruiting and selecting the youth employees, and training, assigning, transporting, and supervising them. It will also establish work behavior and performance standards. Employees will be required to report to work regularly, on time, and to perform a full day's work. As they become ready, youth will be used to solicit neighborhood contracts, supervise other employees, and assume management responsibilities.

Wherever warranted, sophisticated mechanized equipment will be used, and youth will be trained in their use. Mechanized equipment will be used both for purposes of efficiency and to counteract the menial reputation of certain types of service work.

Youth Employees

Unemployed minority youth—both male and female up to age 21 and, possibly, 24—will be recruited through community organizations and institutions. Other than disadvantaged and minority status, the principal criterion for selection will be interest in work and potential to be productive. Graduates of programs like Wildcat and Job Corps will be especially welcome.

The support system will avoid the traditional counseling approaches, although remediation might be used if needed. Instead, a built-in opportunity structure would provide support and motivation. Opportunity for upgrading through training and work experience to supervisory and management positions, or to establishing their own CSOs or other businesses will be a critical feature. For some youth, the opportunity to become skilled in a blue-collar trade might be the crucial dimension.

The enrollment of young women and their subsequent assignment to blue-collar tasks will contribute to encouraging their participation in nontraditional occupations. Only out-of-school youth will be involved. They will be paid the prevailing wage for the level of work performed.

Sponsors

The sponsors' skill is a key element in the success of any CSO. Sponsors could be drawn from a wide range of organizations—community groups and CETA prime sponsors, national organizations with local affiliates (OICs of America, The Boys' Clubs of America, and National Urban League, for example), profit-making business organizations, and individual entrepreneurs.

Support for CSOs should come from at least two federal government agencies. The

Department of Labor might, through CETA funds, subsidize the training of CSO employees. The Department of Commerce—through the Small Business Administration and the Office of Minority Business Enterprise—might provide the technical assistance and, even more important, the working capital to enable minority-owned or managed CSOs to flourish. Their support is needed in the experimental phase, and their commitment is required for replication, if replication is indicated after the test period.

Expected Outcomes

There is reason to believe that the possibility exists in this country of establishing up to 1,000 CSOs, employing from 25,000 to 50,000 youth. Should such an outcome materialize, it is also reasonable to expect that a major reduction in youth unemployment will have been achieved. Even more significant, the quality of future supervisory and management job opportunities for minority youth will have been vastly improved.

Recommendation

A two-phase program is recommended: (1) a nonprofit, experimental pilot phase, funded by government and foundations, two years in duration; and (2) a network of profit-making CSOs established after the pilot phase has been successfully demonstrated.

Selected pilot demonstration projects—perhaps four—will be conducted to test (1) the feasibility of developing a market for these services that could support all program costs; and (2) the ability of this strategy to attract urban minority youth and to help them advance to supervisory and managerial positions. Testing the market would also include start-up costs and the length of time needed to reach profitability. Areas selected for demonstrations would constitute a mixture of inner-city and suburban ghettos and be representative of the various sections of the country. The test would be conducted over a two-year period and would be designed not only to evaluate the pilot programs, but to develop techniques for replicating them, if that were indicated.

Our bias with respect to the selection of organizations to conduct the pilot demonstrations is in the direction of experienced organizations, such as New-Life Maintenance Services, Inc. In the interest of testing out a variety of sponsors, however, it might be desirable to select sponsors from a local affiliate of an appropriate national organization, such as OICs of America or The Boys' Clubs of America, a community organization, or a CETA prime sponsor. Perhaps one pilot program might experiment with a mixed minority-majority ownership or management to test the effectiveness of such an arrangement.

It is further recommended that the responsibility for organizing these demonstrations be assigned to an interested national body. Its responsibilities would be to:

- Select sponsors of the demonstration projects.
- Help design the demonstrations.
- Help fund them.
- Conduct the evaluation.
- Design the replication, including procedures for marketing and operations and the preparation of a replication manual.
- Promote the development of additional CSOs through technical assistance and other methods.

The national body responsible for carrying out the demonstrations can be either a single-purpose organization established primarily or solely for this purpose, or it could be an additional responsibility of an existing organization. Models of the latter could be OICs of America, or The Boys' Clubs of America. The advantage of going the first route would derive from the organization's exclusive concern with the one program, whereas the advantage of going the second route would be to save the time and effort involved in establishing a totally new organization. The Corporation for Public/Private Ventures

could be a compromise organization, incorporating features of both models.

Costs

Preliminary estimates of the total cost of the demonstration phase for a two-year period range from $1 to $2 million. This breaks down to $100,000 to $200,000 per year for each of four demonstrations, with a similar amount budgeted for the national program. For the pilot units this budget would cover start-up costs, including hiring the nucleus staff, basic office and equipment expenses (including insurance), and working capital to cover costs of contracts prior to payment. The needed legal, tax, accounting, and insurance consulting services might be secured on a *pro bono publico* basis or at most on a minimal retainer fee.

We recommend that the initial $1 to $2 million funding for the demonstration phase be sought from a mixture of public and private sources, including federal government agencies, foundations, corporations, and unions.

The second phase will build on the replication designed during the first phase. No special funding will be sought except for training subsidies from CETA and working capital from the Small Business Administration.

Pilot Program No. 6
Manpower, Inc., Disadvantaged Youth Employment Service

> A temporary employment service, modeled on Manpower, Inc., would enable employers (1) to test-hire disadvantaged youths for up to three months without the financial, administrative, or emotional risks of an immediate permanent commitment, and/or (2) to hire them for strictly short-term assignments.

A youth employment service, devoted exclusively to placing disadvantaged inner-city youths and managed by one of the established private employment companies, is proposed here. The company recommended to manage this operation is Manpower, Inc., a nationwide leader in the employment field and in serving minorities and youths. Manpower, Inc., previously was responsible for developing a free summer-jobs referral service, called Youthpower, which placed over 800,000 youths in summer jobs from 1964 to 1973, with a network of offices that eventually served 17 cities.

A five-city demonstration would serve 100 youths at a time at each site. Employers would be billed at the minimum wage; the other nonwage costs, including training, placement, taxes, insurance and bonding, would be borne by Manpower and reimbursed by the Labor Department. These added costs might be $2.00 to $2.50 per hour, raising the total cost to perhaps $4.65 to $5.15 per hour.

The youths would be placed in office, factory, and service firms with no obligation by the employer for up to 90 days. Then the youth would either be hired permanently or return to Manpower for subsequent placement. Incentives to the employer would thus include the lack of initial commitment required, the low cost, and the training provided to the youths.

Approximately one month of world-of-work orientation and basic and specific skills training would be given to each youth before placement. Combined work and training might be arranged. A variety of work experiences would be offered.

Manpower, Inc., would apply all of its marketing and placement techniques in order to bring the most disadvantaged youths into the employment of the entire range of businesses now using the Manpower service. It would open up nontraditional jobs to

young women and upgrade the office and secretarial skills of disadvantaged youths who are effectively excluded by their lack of training and experience from office, factory, and service jobs today.

Problem

Most placement services, both public and private, have not served the inner-city disadvantaged youth very well. These agencies or programs have not had strong links to employers and have not been seen by the business community as being competitive with private employment agencies and temporary-help businesses. Equally, the profit-making agencies and the temporary-help firms have tried to place those with existing work skills. More recently, they have attracted and placed increasing proportions of minority workers. But again, these have been workers with some skills rather than unskilled inner-city youths. Some training and brush-up courses have been offered to married women returning to the work force and to youths who have had some office and typing courses in school. Nevertheless, there are still thousands of job openings available for office workers.

Companies are often unwilling to hire youths, particularly those who are 16 to 18 years old. Companies don't want to make the usual hiring commitments to unskilled youths and are usually not prepared to offer their own internal training. When youths are hired, they are typically students who have stayed in school, who are participating in work-study programs, or who have graduated and developed to some extent the appropriate work habits and attitudes. The most disadvantaged youths are the least likely to be hired.

Strategy

1. A private profit-making company that is well-established in the employment-service field should be engaged to demonstrate in a number of cities the feasibility of training and placing the most disadvantaged youths with companies and corporations.

2. For a period of about one month before placement, the company should provide disadvantaged youths with appropriate vestibule training, world-of-work orientation to develop constructive attitudes and basic work habits, and specific skills training. It may subcontract the training to an organization that specializes in this field, but the training should be conducted on the premises of the employment service.

3. The company should attempt to place these youths with its normal private-sector customers. It should use its own reputation and experience in the employment and placement field as a basis for selling the value of these youths as employees.

4. In addition to the usual practice of temporary hirings, the youths should be placed on a trial basis in offices, factories, and commercial and service businesses for a period of up to 90 days. If a youth is not hired by the end of the three-month period, the youth will return to the employment service for another placement. The employer will not be obligated during this 90-day period. If the youth succeeds on the job, the company will offer full-time employment. The services will attempt to make new placements whenever youths do not work out, so that employers using the service will be assured that jobs will remain filled.

5. Employers will pay only the minimum wage, or slightly above the minimum wage, during this trial period. They will be billed for the youth's wage and will not be saddled with any of the paperwork and responsibilities of normal hiring. The aim is to offer as many inducements as possible to employers to hire these youths. The inducements will include the lack of employer commitment required, the reputation of the employment company making the placements, the world-of-work orientation and skills development which the youths bring to the job, and the attractive low cost of the trial period.

6. The nonwage costs of administering the program and providing training will be reimbursed by government. The contract will provide for some profit, though a lower

profit than in normal business operations. The contract may be based on a cost-plus fixed fee.

7. Disadvantaged youths would thereby gain a variety of working experience. They will gain access to business employers that they could not have obtained by themselves.

8. The demonstrations will experiment with a number of variables. It may be possible to increase the wage in the second and third months of work. It may also be possible to charge somewhat above the minimum wage on the basis that employers will value the service and the lack of commitment required for the first three months. Possibly a work-plus-training combination can be tested, in which the youths would begin work and return for training to the employment service for about two hours during the working day.

9. The focus will be on helping disadvantaged youths to gain a foothold in the business world, to facilitate the adaptation to working life so that many youths will be hired permanently after one to three placements. The aim is to provide as much employment as possible.

10. If the demonstrations are successful, the employment service should be expanded to a greater number of locations. In each local area a business group should be encouraged to adopt the program and to participate in an employer advisory board. Local funding for the nonwage costs should be obtained locally, partially from prime sponsors and partially from private sources, including contributions from those businesses which have been well served by the new employment agency.

11. Cities chosen for demonstrations should be those in which the employment business is well developed, inner-city youth unemployment is particularly high, and existing programs are not meeting the need.

Manpower, Inc. The most appropriate employment service company for this project is Manpower, Inc., based in Milwaukee, Wisconsin. The company has over $400 million in sales annually and has more than 700 branches or franchises. Each year it prepares W-2 employment forms for over 500,000 people. It has provided service to large numbers of minority workers, particularly in its industrial division, and to somewhat fewer in its office division, since not as many skilled minority office workers are available.

Manpower, Inc., has been in business for 30 years. In most of the large inner-city communities, it has operated for over 20 years. Its managers in these cities have typically been employed by Manpower for 10 to 15 years, have been active in local personnel societies and Chambers of Commerce, and have established business relationships with a broad range of personnel managers. Manpower, Inc., offices are usually known to businessmen in the community.

Manpower, Inc, has a number of advantages—its large network of offices, its experience in placements in a broad range of jobs, its business reputation, and its experience with minority workers. Perhaps its most important advantage is that Manpower was previously responsible for organizing and developing a free summer-job referral service for 16- to 21-year-olds, called Youthpower.

The Youthpower Experience. For ten years, from 1964 through 1973, Youthpower placed a total of more than 80,000 young people in summer jobs. It served as a nonprofit summer-job clearinghouse operated by and for these youths. Manpower, Inc., created Youthpower during the summer of 1964 in order to aid 14,000 young people who expected to be unemployed in Milwaukee that summer. The program was a success and was extended to other cities. In 1970, there were 17 Youthpower offices around the country. At the height of its activities, in 1968 and 1969, Youthpower provided about 12,500 jobs per summer. Subsequently, it averaged about 8,000 jobs per summer. Youthpower was phased out as the federal government entered the field more actively with the passage of the CETA legislation in 1973.

In 1968, Manpower spent $135,000 on Youthpower, mainly for office space (separate from its own offices), equipment, telephones, stationery, and the salaries of the adult supervisors—usually college students trained by Manpower. In nine cities, local service clubs and businesses became cosponsors, supplying financial and other help. Youthpower put increasing emphasis on recruiting youth minorities through advertising in newspapers and on radio stations. Job recruiting stations were set up in ghetto sections of some cities, including St. Louis, Birmingham, and Milwaukee. Youthpower established a special office in the predominantly black Lawndale section of Chicago. Unlike the other offices, it operated all year.

Other government programs existed at the time, with Youth Opportunity Centers being established by state employment agencies in major cities. These centers sought long-term employment for people under 22. But they generally worked with service clubs in higher-income suburban areas to place high school students in such jobs as babysitting and lawn mowing. They were geared to deal with people over 18 and did not fill the gap of placing disadvantaged youths.

In many Youthpower offices unpaid young volunteers were the staff members. Youthpower found that young applicants liked to deal with others their own age. Some of these volunteers were rewarded with partial school scholarships at the end of the summer.

In Milwaukee in 1964, the Youthpower service sought jobs by sending out 10,000 postcards, reporting that messengers, handymen, yard workers, window washers, car hops, and other young people were available. Press, radio, and television gave the plan wide coverage. By the end of the summer, the Milwaukee office had processed 4,700 youngsters and placed 1,276 of them, at pay ranging from 50 cents an hour to $120 a week. In 1965, the number of jobs filled increased to 1,537, or nearly 40 percent of the 3,946 who applied. By 1966, adult consultants in many fields were offering their time and skills to provide needed training. Unpaid assistance was given by teachers, welfare workers, industrial relations experts, nurses, sales executives, truck drivers, and mechanics. Companies in Chicago, Milwaukee, and Green Bay helped to set up classes in salesmanship and in finding a job. Volunteers operated the placement centers in these three cities, interviewing applicants, answering phones, keeping records, and working throughout the summer without pay. Youthpower offices asked adult citizens to inform the service about available jobs that could be handled by young people, to remind friends and neighbors of the free service and the need to find jobs for youths, and to find out whether their employers could provide training that would open up summer-job opportunities.

The essence of the Youthpower ideas was its nonprofit and volunteer character and its focus only on summer jobs.

Proposal and Description of the Demonstrations

It is proposed that the Labor Department's Office of Youth Programs provide financial support for a demonstration of this concept in five cities. The project could be administered by one of the nonprofit youth demonstration agencies, presumably the Corporation for Public/Private Ventures (CPPV) or the Manpower Development and Research Corporation (MDRC). The project administrator would in turn contract with Manpower, Inc., to provide management, training, and placement services at each of the demonstration sites.

Manpower, Inc., would manage the demonstration projects as a separate function from its existing business operations. The contract would allow for a fixed profit, perhaps on a cost-plus-fixed-fee basis.

The national demonstration would be conducted in five cities. One hundred youths at a time would be served in each location. They would be provided with both vestibule

training and specific skills training. Manpower, Inc., might subcontract to a specialized organization in this field, such as Control Data Corporation's Fair Break service or the Chrysler Institute. Manpower, Inc., would also provide careful assessment and testing in order to offer appropriate training, and make referrals on the basis of a careful match between the youths and the requirements of the job.

Manpower would charge $2.65 per hour to each employer for each youth. It would provide payroll and billing service through its central computer facility in Milwaukee. Manpower would also cover taxes, insurance, and bonding. It might need special coverage to provide workmen's compensation.

Manpower would be reimbursed for all nonwage costs. These costs would be established as the demonstration proceeds; the cost per youth would vary according to the number of youths served. The total nonwage cost and fee might be $2.00 to $2.50 per hour; added to the wage costs, the total cost might be $4.65 to $5.15 per hour.

It would be expected that youths placed with employers would either be hired as permanent employees within 90 days, or be sent back to Manpower for subsequent placement.

Manpower would seek job openings in office, factory, and service work. It would encourage young women to enter nontraditional occupations, such as factory assembly jobs.

During the demonstrations, Manpower would experiment with alternative wage and payment plans. It might test a charge of more than the minimum wage for the second and third months of work. It might also charge somewhat more than the minimum wage even in the first month. The primary aim, however, would be to offer as many incentives as posible to the employer, while minimizing the government cost as a secondary objective.

Manpower would provide overall supervision for the five demonstration sites. It would assign one supervisor for the program and hire or assign three or four staff members for each site. Each location might require one manager, who would be responsible for local administration, training, and marketing; one assistant manager, who might have responsibility for the training and placement of a significant proportion of the youths; and one or two office assistants, who would help with marketing, placement, and administration.

The five cities should include Milwaukee, where the Manpower headquarters is located, and other cities that are characterized by a strong Manpower operation, high youth unemployment, a strong employer base for using this service, and a lack of other appropriate employment programs. About one-third of Manpower's 700 offices are branches; the rest are franchises. Because Manpower exercises more control and direction over branches, these might be preferable to franchises for this program. However, a strong franchise with a manager who has appropriate experience in dealing with youths might also be appropriate.

The following five cities are suggested as target demonstration sites—Milwaukee, Cincinnati, St. Louis, New Orleans, and Racine. In the Racine, Wisconsin, location, the franchise owner previously had a Youthpower office and has worked closely with the local Chamber of Commerce and Rotary Club. Manpower would carry out a survey of its records to identify those branch or franchise managers who have both appropriate experience and the desire to help disadvantaged youths. The latter qualification is most important because the success of the program may be closely related to the skill and determination of each site manager.

Each of the demonstration Manpower sites would concentrate on promoting job placement for these youths among its regular business clientele. It would apply all of its marketing techniques to this activity and would associate its name and reputation with the youth employment service. It would stress incentives for the employer—the lack of

commitment for up to 90 days, savings in hiring, taxes, insurance and bonding costs, and the advantage of not having to provide training for basic work skills. The project manager at each site would also form a local employer advisory board, encourage support through the Chamber of Commerce and other business groups, and enlist the active support of personnel managers in particular.

Besides training for other occupations, Manpower would train young people in office and secretarial skills. Typing, stenography, bookkeeping, word processing, and keypunch and computer operations would be taught. The trainee could either be placed in full-time jobs or could be placed through the regular Manpower temporary-help service. Manpower would thus apply its great experience in the office and secretarial fields to helping disadvantaged young people gain better-paying secretarial jobs or temporary-help assignments. In time, this function alone could train thousands of young people who would otherwise lack the skill for office work.

Where possible, Manpower would encourage specific employers to rely on this service for its entry-level job placements. It would stress the savings inherent in this relationship and try to provide a lower-cost alternative to the internal company training program.

Manpower would also attempt to develop local funding support—from prime sponsors, foundations, and businesses—to replace the government-reimbursed share of nonwage costs once the demonstration period was over. It might appeal to those employers who regularly use the service to make voluntary financial contributions.

The program would be evaluated by the youth demonstration organization which administers it. The evaluation would track the employment results for each of the trainees in the five demonstration sites and make comparisons to the employment histories of a control group of similar youths who do not receive this service.

The U.S. Treasury Department has advised Work in America Institute that the new Targeted Jobs Tax Credit applies to a private employment agency, such as Manpower, Inc., to the extent that it pays wages to disadvantaged youth. The agency would probably have the burden of ensuring that youths are properly certified. The actual effect of the credit would vary according to the employer's tax bracket: it would be at maximum (approximately $3,000 per year per youth) if the agency were to create a nonprofit subsidiary for the purpose. In any case, the credit should significantly reduce the financial support needed from the local prime sponsor in order to institutionalize the program and make it self-sustaining.

5

Successful Training and Placement Models

Good employment preparation programs provide skill training and improved basic education, offer employment counseling, develop jobs for their clients, run efficient placement services, and follow through with those who complete the program. Most important of all, they work closely with employers. They maintain the confidence of these employers because they do a good job in preparing youth for employment and are available to discuss the progress and problems of individual youths after they are placed. Any training is done either in concert with employers or by the employers themselves.

While such quality services are not widely available, they do exist and do not need to be invented. The Work in America Institute had the opportunity to examine a large number of such programs in connection with its preparation of a book of case studies to accompany the recent report of the Committee for Economic Development, referred to at the outset of this report. The most successful of these have been selected for this volume so that the elements of their approach can be explained in greater detail.

They are offered for others to try. In addition, funding agencies responsible for such matters are urged to consider making sufficient resources available to these existing projects to enable them to offer technical assistance to other communities and organizations that may wish to create such services or improving existing ones.

In addition, we offer a model, based on a close study of Bridgeport, Connecticut, which addresses itself to the special needs of a medium-sized industrial city.

SUCCESSFUL TRAINING AND PLACEMENT MODELS IN BRIEF

Pilot Program No. 7–Jobs for Youth—Vocational Foundation, Inc., Models. JFY and VFI have helped many of the most disadvantaged youth get a foothold in the world of work, principally with small employers. Now they are ready to share their know-how with other agencies that want to follow suit.

Pilot Program No. 8—Young Ex-Offender Transition Service. The youthful ex-offenders who graduate into private employment from Safer's Operation IDEA have an astonishingly low rate of recidivism. Here is the recipe for this successful program.

Pilot Program No. 9—Industrial Skills Training: The TAT and Hampden Models. These industrial skills-training centers, which efficiently prepare disadvantaged youths and place them in better-paying entry-level technical jobs, have been successfully replicated. A strategy for more widespread replication is proposed.

Pilot Program No. 10—Consortium for a Middle-Sized City. In a middle-sized industrial city where individual agencies lack the means to help out-of-school disadvantaged youth find employment, a community-wide pooling of resources could bridge the gap.

Pilot Program No. 7
Jobs for Youth–Vocational Foundation, Inc., Models

> JFY and VFI have helped many of the most disadvantaged youth get a foothold in the world of work, principally with small employers. Now they are ready to transfer their know-how to other agencies that want to follow suit.

A great many more strong, employer-centered job-placement services must be established to open the door for youths to the real world of work and to help them negotiate the private-sector work system.

These services emphasize the value of initial, full-time jobs in the development of work habits, work skills, and career opportunities. The private-sector job also rekindles the youth's motivation to learn relevant skills, to gain independence, and to obtain better-paying and more responsible jobs.

This service is tailored to the needs of small employers and the most disadvantaged and unskilled urban youths. It links employers to young people and reduces the obstacles posed by the disadvantaged youth's lack of proper work attitudes and experience. Thus, the service carries out a function which most traditional training activities have failed to accomplish.

The service has three major components: counseling/placement, education, and job development/employer services.

The organization receives a steady flow of job orders from satisfied employers because of its effective employer services unit and careful matching of youths to jobs. The service must offer sufficient counseling, remedial and competency-based education, and job placements so that clients will become firmly committed to employment and occupational self-improvement.

The strategy proposed here is to expand the number and quality of these services in urban centers through active marketing and technical assistance to existing agencies, prime sponsors, and business groups by youth employment programs currently in operation.

Problem

Most government-funded youth employment programs today place youths in jobs in the public and nonprofit sectors, where the atmosphere, supervision, and experience have not been as valuable for youths as in the private sector. A great many young people are aware of these differences and so are employers, who do not consider government-funded employment to be adequate preparation for the private sector.

A large proportion of disadvantaged urban youth has not been prepared for private-sector jobs. The group consists, for the most part, of untrained school dropouts and youths who have had some contact with the law. Writing, reading, and arithmetic skills are very low. Many of the youths are unfamiliar with the basic skills needed in entry-level jobs. Generally speaking, relatives and friends have not provided role models that project a positive image of working life. Usually they cannot help the youths with appropriate referrals to local employers.

A majority of the youths have not worked before. When they have, the jobs have

been within the secondary economy. Employers are not anxious to hire these youths, except for work at minimum or subminimum wages in generally unattractive jobs, where high turnover is accepted. In turn, the youths view these as dead-end jobs, unworthy of their best efforts and unlikely to offer movement upward. But even these jobs may be largely closed to youths who are 16 to 18 years old—principally because of labor law restrictions, difficulties of bonding and insurance, and job competition from older youths, young adults, and aliens in many urban labor markets, where the number of commercial and industrial jobs has been stagnant or declining.

Employers are only too well aware that the years from 16 through 19 are an exploratory period in which both white and minority youths frequently change jobs, are uncertain of occupational choices, and are unused to the discipline of the work environment. This group typically shows inadequate work habits and motivation.

The lack of connection between urban youths and small businessmen has sharply constricted the route through which youths have traditionally entered the labor market. It is a major cause of the unprecedentedly high youth unemployment rates in inner cities (in the early 1950s, black and white teen-agers showed approximately the same unemployment rates; today, the black rate is about 2½ times as great, or up to 60 percent in many deteriorating neighborhoods).

Employers complain more than ever about the unpreparedness of youths for work. They feel that it is even more important to teach them general work orientation and attitudes in the public schools than specific skills. They resent or reject dealing directly with any government manpower entity. As a result, despite the generally high rate of participation by minority youths in many public training programs, private-sector placements have usually been low and inner-city minority youths' unemployment has not been reduced.

Models

It is important, first, to understand the type of private preemployment service that has successfully linked youths to work, and then to expand greatly the number of these services in urban centers.

These private employment services inevitably vary in relation to the local labor market, the scale and source of funding, the adequacy of local public schools, and the types of youth employment and training programs available. But a number of major elements can be identified as parameters for this type of service. These elements are based especially on the experience of Vocational Foundation, Inc., in New York City, and Jobs for Youth, Inc., in New York, Boston, and Chicago.

1. Some government funding is essential. Depending upon the type of services rendered, a good preemployment program requires about $800,000 to $1 million to prepare and place 1,000 to 2,000 youths annually. This is too large an expenditure to be supported on a continuing basis from foundation grants and corporate contributions alone.

Yet total dependence on government funding is quite undesirable. It is given on a year-to-year basis and is often cut off arbitrarily, even if a program is achieving good results. This instability can cause havoc with staff morale. Moreover, public funding tends to be characterized by arbitrary standards of performance evaluation. Prime sponsors are responsive to the needs of elected officials rather than to the actual needs of clients. The emphasis of public funding is too often on quantity rather than quality. Private funding sources, on the other hand, are more flexible, can act more quickly, and impose less rigid formats, less paperwork, and fewer administrative burdens. Corporate funding is much more closely related to a program's success in meeting employers' labor needs.

2. The service must concentrate on entry-level jobs in which its clients can succeed.

These are jobs with small and medium-sized employers, because they offer the best work opportunities for youths with few skills and little or no prior work experience. The small employer, accustomed to high turnover in these jobs, has an incentive to help the youth remain on the job. This employer is often the first person to take a genuine interest in a young person who has been ignored by family and turned off by school. The smaller job site is more familiar and comfortable to the youth. In very small firms of 25 employees or less, the youth learns a greater variety of tasks. These initial jobs must not be dead-end jobs: they must expose youths to different work sites and different occupational clusters. The young person who proves to be capable, reliable, and responsive is given raises and increased responsibility. If promotion is not possible at the initial job site, the youth will move to a better position with a new employer. The employment service will frequently place youths at two or more job sites within a year, thereby apprenticing the youths to work itself rather than to any single job. Work becomes the real-world laboratory where youths gain the incentive and capacity to move forward in both education and careers.

Once young people have survived on the job for three months or more, they should be promoted or placed again. This form of upgrading is a major incentive to good work performance. Employers who are accustomed to high turnover—from two days to three or four weeks per employee—are usually understanding about the need for promotion or new placement, particularly if the placement service will quickly bring in a new employee.

3. Brief but effective counseling and world-of-work orientation are essential before placement. The orientation is usually brief, because these youths have urgent employment needs. The counseling must focus on the facts of working life—the types of jobs available; pay scales; take-home pay; the necessity for good attendance and punctuality; dealing with supervisors, the boss, or co-workers; employers' work-performance standards; and the expectation of a day's work for a day's pay.

Orientation must describe how to hunt for a job, how to prepare and conduct a job interview, how to fill out an application form, and other aspects of job seeking. Then the counselor must learn the youth's aptitudes, interests, and qualifications and try to match each youth to each job. Indeed, careful matching is closely tied to successful placement.

Brief and informal counseling should continue after placement, particularly during the first two weeks. Postplacement counseling should build a relationship with each youth to strengthen early job retention and to encourage youths to come back to the service after their first job experience. On-the-job counseling can ease the frustrations of youths who are unprepared for regimentation and can help avert or defuse confrontations between youth and employer. A brief visit to the work site should be made within the first two weeks of placement, during a work break or lunch; then, at least bimonthly contacts can be continued by phone or in a site visit. Often an employer services representative will speak with the employer, and the counselor will speak with the youth. Then these two staffers can discuss where the problem, if any, lies. It is important to understand the employer's needs as well as those of the young employee.

4. The employment service needs an educational component. This should include at least two types of training. The first is a series of individual counseling sessions covering the general skills for survival on a job and the specific skills needed to carry out a particular job. The training is limited to those competencies needed on the entry job. For example, Jobs for Youth has identified 35 competencies that are most closely related to work, other training, or life-coping skills, and identified 150 simple skills that are basic to adult work performance. Secondly, the job service must offer remedial education, again of a very practical nature, to bridge the transition back to learning for out-of-school youths. The education is meant only to help clients achieve their goals.

5. The service must continually renew its knowledge of employer needs. Its job development should aim for long-term contacts with employers so that eventually a high proportion of job orders are flowing from employers who have used the service before. With each referral or placement, the job service should find out how well the employer has been satisfied. It should make referrals quickly, one at a time, and stand ready to replace each youth who leaves or is fired. More than any other type of work program, the private job placement service must master the techniques of good job development and of catering to employers.

6. The staff should include a mixed group of professionals and paraprofessionals who have experience in dealing with inner-city youths. The professionals must ensure the competence of the rest of the staff and should communicate well with funding sources and businessmen. The paraprofessionals must be especially adept at dealing with the clients.

The service should also develop an employer advisory group composed predominantly of small-business men. A few academic or professional consultants who are experienced in employment and training activities are valuable in order to develop the rationale for the program and to structure a continuing evaluation that will respond to the concerns of funding sources. Young graduates should be included as advisors or as sources of feedback so that the preemployment service does not lose its understanding of the needs of these youths.

Vocational Foundation, Inc. VFI is a private, nonprofit job placement agency, located in New York City since 1936, which largely serves those youths who have had some contact with the law and who are the most disadvantaged. It accepts referrals from courts, probation agencies, and public and private youth services. It has become regarded as the job placement agency of last resort for the most difficult and hardest-to-place youths.

VFI's most important function is job placement. It has found that rather consistently it places about 40 percent of all youths who come in the door. Roughly three-quarters of these placements are with firms containing fewer than 30 employees. These are often owner-proprietor firms, many of which have only three to five employees. In 1977, VFI developed 1.4 jobs per client and provided 1.3 job referrals per client.

Besides its regular placement service, which involves a brief work orientation, VFI's activities have included, since 1967, on-the-job training (OJT), which has placed between 175 and 300 youths each year. Once clients have been placed in OJT jobs, 72 to 74 percent complete the training. It is much more difficult to place youths under 18 in jobs or in OJT positions. Only 8 percent of OJT placements in 1967–77 were clients under 18, compared to 3 percent in the previous two years. But in terms of the average number of weeks worked at the OJT job after placement, the 16- and 17-year-olds did almost as well as those 18 or older—10.3 weeks for the 16- and 17-year-old group, compared to 12.5 weeks for those 18 and older.

VFI also has an 11-month developmental program, which combines OJT with classroom instruction. It trains draftsmen for professional architectural and engineering societies. The program, called JUMP, combines classroom and OJT work on a 50/50 basis during the first six months, with the final five months being devoted full time to OJT. The results have been impressive: The JUMP retention rate on the job after 11 months averaged 65 percent in 1973 and 1975 (the program was interrupted by the severe recession in the New York construction industry and was recently revived).

VFI enrolled 252 youths in its remedial education program last year. By studying four hours per week at VFI, the enrollees raised their average reading level by 1.8 grades in three months and the average math level by 0.8 grades in two months.

In 1976, VFI concluded that the most seriously disadvantaged youths were in the 16–19 age category, and lowered its upper age limit from 21 to 19. The client profile in

1977 showed an average age of 18.1 years, with 88 percent between 16 and 19. The average school level was at Grade 10.3, but average reading was at 6.7 grade level and average math, at 5.5 grade level. The average I.Q. of applicants tested was 96.1, or roughly the average intelligence level of the general population. Ethnically, 72 percent of the youths were black, 22.4 percent were Hispanic, 5.2 percent were white, and 3 percent were of other backgrounds.

In the last two years, 49 percent of the VFI youths had a known drug or correctional background, 38 percent had no previous work experience, 18 percent were receiving welfare, and 77 percent were dropouts.

In its last operating year, November 1, 1976, through October 31, 1977, VFI worked with 2,085 youths. It conducted 5,034 interviews, developed 3,170 jobs, made 2,760 job referrals, achieved 1,205 job placements (including two or more placements for some youths), and served 219 different agencies. In just over 50 percent of placements, the youths were retained for more than 30 working days on the job. This level meets New York City's contract standard, which is applied to all types of clientele. The VFI retention rate suggests that troubled youngsters can compete with other manpower clients in their work performance.

In the eleven years from 1967 to 1977, VFI worked with 21,250 youths, developed 57,363 job openings, and made 19,185 job placements, including more than one placement per youth.

VFI's job bank of employers covers more than 1,500 companies. This total has been reduced from over 2,000 employers two years ago because of the lower skill level of the 16–19 client population.

For fiscal year 1978, expenditures were about $956,012. The government-paid share was $807,817, or about five-sixths of the total. VFI's budget, and its dependence on government funding, have grown greatly since 1964, when the government contributed only $10,085 to a total budget of $38,575. The VFI budget currently pays for 35 staff members, mostly engaged in counseling and job placement.

The factors crucial to VFI's success include the quality of its staff; the availability under one roof of a range of services; an education department to enhance basic skills, motivation, and confidence; post-placement support and counseling; and a very experienced job placement service.

With additional funding, VFI would like to expand its remedial education and its OJT placements. It would like to test in a formal demonstration the value of two added incentives for placing 16- and 17-year-olds in OJT—lengthier world-of-work orientation and a sliding scale of training subsidies paid to the employer, beginning with 100 percent of the wage (while the youth is rather unproductive) and decreasing to the normal 50 percent subsidy by the end of the third month.

VFI would also like to expand its concentrated mixture of OJT and classroom training, as now applied to drafting in the JUMP program, to other occupations. In New York City these occupations might include dental ceramics; woodworking, furniture refinishing, and upholstery; building and plant maintenance; word processing and other office and clerical occupations; tool-and-die machining; computer-program operations; hotel and restaurant services; retailing; auto repair; and health-aid services.

Jobs for Youth—New York, Boston and Chicago. Jobs for Youth was founded in New York in 1958 to help troubled youngsters find their first job. Today, JFY offers vocational counseling, educational support, and job placement to many hundreds of youths each year in New York and Boston. It began a new operation in Chicago at the beginning of 1979.

JFY in New York receives half its funding from the private sector and half from government. Also, about half of JFY's intake is from self-referrals—youths who walk in the door.

In New York, Boston, and Chicago, 46 to 50 percent of JFY s total caseload (all those who are referred or who walk in the door) will be placed in at least one private-sector job. Of the other 50 percent, some will find jobs for themselves, some will return to school, some will enter military service, and some will return to a period of unemployment before deciding again to test the labor market. Many will return to JFY at a later time.

It costs roughly $800 per placement for the JFY operation in all three cities, or about $1000 per average youth served, because some youths require multiple placements.

In the past three years, JFY has demonstrated its ability to successfully replicate its New York operation in new settings. In Boston during the first 12 months of full operations, March 1977 to February 1978, JFY-Boston developed 1,134 jobs; over 700 youths attended JFY's orientation workshop and were referred to jobs; 305 youths received 470 private-sector job placements; and at year-end 1977, 52 percent of the active caseload of youths were still on the job. Some 29 percent of the youths had received additional job placements. A referral network involving more than 60 public and private youth-serving agencies was established. A competency-based educational component, developed in New York, was integrated with the other two functions in the JFY program—counseling/placement and job development/employer services.

Employment is the key to the JFY operation in all cities. In New York JFY develops 100 jobs per month and places youths in about 50 percent of these. About 80 percent of the job orders come from employers who have dealt with JFY before. Thus, JFY-New York is now benefiting from the full spectrum of job-development activities that it has carried out in the past. These employer-services campaigns, and the effect of placing youths well, have yielded a momentum of satisfied employers who return with job orders. Today, JFY-New York can rely on a direct-mail technique to locate new employers. In Boston and Chicago canvassing street-by-street completes a saturation job-development effort that includes mailings, trade-journal advertising, and special activities with trade associations. With these job-development techniques and similar programs, all three programs are obtaining about the same placement results.

In all three cities, about 75 percent of the JFY youths are 16 to 18 years old; the rest are 19 to 21 years old. JFY, like VFI, finds that the greatest proportion of youths in need are 16 to 18 years old. This group constitutes three-quarters of the intake in recent years. They are also the most challenging youths to serve. In Boston 40 percent are black, 40 percent are white, and the others are Hispanic. In each of the cities, the clients typically come from welfare and disorganized families and to some extent from the working class.

The JFY-New York budget is about $800,000, including $250,000 for its summer-work scholarship program. For core services alone, the budget is about $550,000, including $130,000 for educational services and $68,000 for job development. The main cost is for salaries. The current JFY-Boston and JFY-Chicago budgets for core services are $360,000 annually. Thus, Boston and Chicago have about 75 percent of the size of New York's budget and activity. This indicates that the JFY formula can be replicated in another city with comparable results and costs.

On an experimental basis, JFY-New York would like to develop a "self-help center" to enable job-ready youths to find their own jobs. The center would serve about 50 youths at a time, with job orders and help-wanted ads being channeled to the youths in the center. The youths would call employers from the center, set up job interviews, and prepare themselves, with the help of their peers and a trained counselor, to meet employers. The center might cost about $100,000 annually.

JFY-New York would also propose an add-on training service to help young women enter blue-collar jobs. It would provide special skills training and orientation in trades such as plumbing, carpentry, metal fabrication, machining, and electrical work.

Examples of this type of activity currently exist in Framingham, Massachusetts, and

in Boston. At the Framingham YWCA these trades are currently being taught to 38 girls in a nine-week session. The program would also be modeled on a four-year-old project of the Boston YWCA, which teaches carpentry, electricity, plastering and painting through three federally-funded sixteen-week courses. The program also provides physical conditioning and vocational counseling. Among the first 96 graduates, 85 percent have found jobs in occupations which are nontraditional for women.

JFY would like to expand the teaching of its core components to other agencies serving youths. It would like to provide technical assistance, especially in marketing its advanced employer-services techniques, which have had unusual impact in both New York and Boston. It wants to stimulate more teaching of competency-based education, i.e., skills which are required either on the job or as adult life-coping skills. At JFY youths are given a preteaching test to ascertain what they already know about a basic competency, usually a specific and easily identified task. A post-teaching test is also given to show what has been mastered; the youth passes the performance test by showing 80 percent mastery of the task. Learning these competencies has proved to be very helpful to JFY youths.

In Chicago the key task is to bring a broader, more diversified base of funding to the newest JFY site. JFY-Chicago's first year of operations, 1979, is fully funded through the Corporation for Public/Private Ventures. CPPV is also conducting an extensive research project at all three JFYs throughout 1979 and until midyear 1980. Selected as a particularly viable preemployment service, JFY's activity as monitored by CPPV's extensive research capability, should yield valuable knowledge development. It will also give JFY substantial insights for its technical assistance activity.

CJCC Results: VFI and JFY Together. For four years, beginning June 1975, VFI and JFY-New York received funding under a Youth Employment Program administered by New York's Criminal Justice Coordinating Council (CJCC), the local body which administers Law Enforcement Assistance Administration (LEAA) funds. Youths were referred to VFI or JFY from agencies connected to the criminal justice system. The youths were given minimal vocational orientation and then assigned to counselors for placement. Both agencies were paid specified fees for each placement and for each period of retention on the job. The initial placement fee was $300, with a $200 fee for a subsequent placement; the retention fee was $55 per month.

Both agencies achieved roughly the same results. In a ten-month period, from February 1976 through October 1976, for example, the two agencies made 1,592 appointments with clients; just over half of the appointments were kept. VFI and JFY made 904 job referrals, resulting in 310 full-time jobs (about one-third of all referrals); 15 part-time jobs; and 116 temporary jobs. In addition, 141 youths were placed in remedial education and 77, in vocational training. A total of 441 job placements were made out of 904 job referrals. This means that 49 percent, or one out of every two job referrals, resulted in a job placement. The placement rate was impressive in view of New York's high youth unemployment and the difficult nature of the clientele. The results also spoke well for the counseling, which matched youths to the jobs before referring them for interviews. Average job retention in the two agencies was eight weeks, though 12 percent of the youths placed worked more than six months in the same job. Some 27 percent of the youths placed worked in more than one job.

Differences between VFI and JFY. One major difference between the two agencies is their sources of funding. VFI now obtains five-sixths of its budget from government. By comparison, JFY-New York is funded half by business and foundations, and half by government. JFY-Boston now has one-third funding from private sources—all obtained in only 18 months. The private funding comes from about 20 sources, including many small corporate grants of $1,000 to $5,000.

Other differences involve program components and near-term goals. JFY has developed its competency-based educational curriculum and would like to expand it to other uses in other agencies. JFY has also focused its job-development efforts on employer services—including an employer advisory board, direct advertising and mailing, and the use of representatives who serve as field sales representatives, each with a territory for which he or she is personally responsible, to provide continuing contacts and post-placement assistance to employers who hire JFY youths. JFY is also focusing on subsequent placements, after an initial job, to provide youths with exposure to multiple occupations and work experiences.

VFI is concentrating on serving a large network of 1,500 employers who have hired its clients. VFI would like to expand both its remedial education and its OJT and concentrated OJT/classroom training programs.

Both VFI and JFY-New York would like to serve the New York unemployed youth population better, if possible, by establishing two new sites, one in the Bronx and one in Brooklyn.

Strategy

To our knowledge, youth programming that roughly follows this model and is private-employer centered does not exist in a great many large urban centers. Indeed, no known programs are even roughly comparable to JFY and VFI in programming and effectiveness.

The essential strategy proposed here is to multiply and expand the number and quality of private-sector youth job-placement services across the country. This will require at least two basic activities—outreach/marketing and technical assistance.

Many good manpower programs have died in the past 10 years simply because government funding was not renewed. Many successful approaches are virtually unknown to youth-serving agencies. The Labor Department itself has not served as a storehouse of information or technical assistance. An outreach function is needed that would market the JFY/VFI programming to existing organizations that have the experience and capability to adopt this model. Without active marketing, the model will probably not spread.

Effective expansion of this service should be based on a flow of technical assistance from JFY, VFI, and like organizations to existing agencies, prime sponsors, and business groups that are sufficiently motivated and capable of putting the model into effect. JFY-Boston is developing a plan to link its programming with the consulting expertise of Boston's leading private-sector consulting company. The Ford Foundation has contributed to this effort, and other private funding for JFY-Boston's technical-assistance program is anticipated throughout 1979. The result should be a high-calibre technical-assistance capability. VFI is similarly capable of providing technical assistance to other service deliverers.

The expansion strategy should identify the most appropriate markets for this concept; the existing milieu in the most likely markets; the initial decisions that interested service deliverers would have to make; and the appropriate package of consulting services which would be provided. Thus, JFY and VFI would become more adept at packaging and teaching their type of youth programming.

The marketing function should especially try to find employer groups that could adopt, cosponsor, or fund this programming within an existing intermediary organization. These groups could include local Chambers of Commerce, emerging Private Industry Councils, or ad hoc groupings of companies—especially small and medium-sized employers—which have a clear need to hire youths for entry-level jobs.

The Labor Department, private foundations, or large companies could provide financial support for these marketing and technical-assistance functions. It would not be overly difficult to compile a list of existing organizations and business groups which

have been active in the manpower fields, but which do not yet provide employer-centered youth placements. One of the major national business organizations, such as the U.S. Chamber of Commerce or the National Alliance of Business, could undertake to spread information about this youth service to its most active local business groups.

Expansion and Replication

Two basic approaches can be used to spread the availability of private-sector youth employment services. According to Frederick Jungmann, national director of the Jobs for Youth Programs, these two methods are:

1. In-service training replication, whereby an agency creates a replica of itself. One example is the replication of JFY-New York in a new program in Boston. In turn, the Boston program is now the parent organization for a new agency in Chicago. This method causes a heavy drain on the staff and resources of the parent agency. The parent group has to generate funding and provide technical aid, program for program and staff member for staff member, until the offspring becomes autonomous. The replication effort is likely to strain the staff, administration, and development capacity of the parent agency, particularly if the funding for the offspring must be substantially generated as the replication proceeds. Either the whole program should be totally funded for 12 to 18 months, or a substantial portion of the funding should be granted for two to three years, allowing enough time to gain local support.
2. The second method involves technical assistance by an existing youth placement agency, such as JFY or VFI, to another existing agency which does not have this type of service. For example, JFY-Boston has assisted the New York State Division for Youth in Albany to train job developers in serving the kinds of youth served by JFY. The technical assistance involves a much smaller effort and often has a single component. Alternatively, the technical assistance may cover the whole spectrum of programming, but it is for a limited duration.

Funding today does not favor the growth of small agencies into large networks in many locations. A large expansion, similar to that of OICs of America or The Boys' Clubs of America, is unlikely. The technical-assistance method is probably the more feasible approach.

Expansion of youth employment services should probably be based on the identification of existing social agencies with established funding, plus a marketing effort to encourage some prime sponsors to set up their own contract for a youth employment service. Some prime sponsors might carry out the operation themselves; others might fund an existing nonprofit intermediary to do it. In any case, the programming should be conducted by *existing* organizations.

This approach has several major advantages. It avoids the strains of creating a new organization from the ground up and establishing community linkages for a new agency. So long as an existing nonprofit agency or government agency has its own funding, the technical-assistance organization does not have to worry about fund raising and hiring new staff, the two most difficult aspects of any replication or expansion.

Secondly, it is much easier if replication requires only staff training, the packaging of materials, and the teaching of what the appropriate services should accomplish, how these services work, and how the programming should be carried out.

A third reason is that existing organizations will be paid for their technical assistance. These consulting fees will contribute to their budget, as compared to the financial drain of paying for a new replication from the parent budget. Thus, the technical-assistance approach allows for the expansion of services to more locations, in a shorter period of time, and with far fewer staffing and funding obstacles.

Prime sponsors should therefore test some new youth-placement programming in their own agencies or through well-established nonprofit intermediaries. Quite a

number of large, multipurpose action programs and agencies have survived from the days of large Office of Economic Opportunity (OEO) funding. These agencies might become bases for expansion efforts.

A number of other suggestions can be made in relation to expansion programs:

1. For an expansion service to prosper or survive in a new location, it must develop strong local roots. It must gain support from the existing community of service deliverers. It must show how the new service will fill gaps in existing programming and how it will take care of a certain clientele. It is very helpful if a host agency undertakes the task of introducing the new service to the dozens of community agencies that can make referrals. For JFY, the host agency in both Boston and Chicago is the Boys' Club. The host agency could be any of the big service deliverers.

2. While the new program is being planned, two kinds of assessment should be made. One is a survey of existing programs to establish the need for a youth placement service targeted on the private sector. Is there a sufficient number of disadvantaged youths who are not being placed in private-sector jobs? The second is a feasibility assessment of the methods to be used: How should service be provided? Should there be a central location? Is there an adequate base of small employers with whom the service can succeed? Is there a referral base and an outreach base of complementary services?

3. Existing programming should be carefully examined in order to gain from experience. Even without a national clearinghouse of information, the JFY and VFI models should become better known. By early 1979, JFY-Boston will have produced a detailed replication manual covering its own programs in Boston and New York and its expansion in Chicago.

Evaluation and Cost-Effectiveness

A strong need exists for tracking the program results of private-sector youth placement services. The tracking and evaluation should test the value of this service and compare its results to those of other major youth programs—on-the-job training, off-the-job classroom training, apprenticeships, skills training, and supported work. A structured evaluation should compare the results for each program in terms of the employment of a sampling of graduates, the program's cost-effectiveness, and the comments of program staff, graduates, and employers. The evaluation should assess the overall effectiveness of each type of program; the conditions and clientele for which each program is effective; and the linkages among programs that could be beneficial for each activity. This type of evaluation would not duplicate any existing research. It would provide an impartial overview that would evaluate the private-sector youth placement service and then compare and integrate the major elements of this service and other youth employment programs.

A number of standards of cost-effectiveness might be:

- A cost of about $800 per private-sector placement.
- A 45 to 50 percent rate of job placements compared to all clients who come to the service.
- An emphasis on the total amount of time that clients are employed, rather than job retention in any one job. This means a focus on subsequent placements.
- The provision of a competency-based educational curriculum that provides the basic skills for entry jobs.
- A competent referral service that assists clients to be placed in further skills or classroom training and in on-the-job training.
- An evaluation function that provides adequate feedback on the satisfaction of employers and clients with the service.

Pilot Program No. 8
Young Ex-Offender Transition Service
(Safer Foundation Model)

The youthful ex-offenders who graduate into private employment from Safer's Operation Idea have an astonishingly low rate of recidivism. Here is the recipe for this successful program.

This is a specialized transition service for youthful ex-offenders, aged 14 to 21. This model would be virtually unique among all existing ex-offender services because it would incorporate the following elements: a large multiservice agency devoted exclusively to ex-offenders of all ages; a specialized youth program which raises the skills of young ex-offenders to the point where they are competitive in the job market; an exceptional job-development and employer-services effort aimed at the local business community; a program combining substantial remedial education, individualized learning, world-of-work orientation, and peer group interaction; and close linkages between this program and other training and manpower services.

The emphasis is on aiding the youths to train for positions above the entry level so that work can compete with the alternatives of unemployment or crime. Two major types of placement are offered. The first type is placement into major kinds of training—including on-the-job training (OJT), skills training in a classroom or center, craft apprenticeships, and other vocational training. The second type is direct placement into the private sector—including both full-time, entry-level, and temporary unsubsidized jobs for those youths needing immediate employment.

The model is based upon the activities of the Safer Foundation in Chicago and of its emerging youth component, called the Idea program. The Safer/Idea model stands out among other ex-offender programs surveyed because of its large size, range of services, outstanding results, penetration into the business community, and developing focus on how to serve youthful ex-offenders. It is proposed that this model be expanded at Safer, be a national demonstration and evaluation for three years, and that the model, suitably adapted for local circumstances, should be attempted elsewhere because of the critical need to provide a quality job service for youthful ex-offenders.

Problem

Youthful ex-offenders represent the hardest core of the urban youth employment problem. They face a number of crucial handicaps: lack of education, lack of vocational skills, a correctional background, the difficulty of finding a job, the influence of an antisocial peer group, the lack of rehabilitation efforts within the penal structure, and a general failure to view the youth's rehabilitation hurdles in terms of employment problems. Each of these hurdles comprises several components. A lack of education means in practice that most of the youthful ex-offenders who come to the Safer Foundation in Chicago have dropped out of school by the tenth grade. Their average reading level is at fourth grade; their average math level, at third grade. Vocational skills are usually absent, for these skills are generally not emphasized in the public school curriculum. When skill training has been offered, it has usually been in skills that are not locally marketable. There is a dearth of alternative schools and training programs for dropout youths that are appropriate for ex-offenders.

These youths frequently lack the ability to read and interpret information well enough to take advantage of vocational programs, e.g., they cannot read a ruler or compute fractions. Their correctional background includes a wide range of offenses,

which further hinders their ability to obtain employment. However, the "ex-con" stigma alone seems not to bar them from obtaining a job as much as their youth. In addition to employer resistance to hiring young people, there are genuine age prohibitions restricting employment for those under 18, or in some instances, under 21. These age restrictions involve disability insurance, bonding, driver's licenses, and working in the presence of machinery.

Peer groups influence the young ex-offender very strongly; the street is a way of life and not merely a way of passing time. Few programs attempt to offer any alternative to the street or the gang. Even more broadly, few programs or organizations attempt to rehabilitate the young ex-offender at all. Rehabilitation is not seen as an essential function to be carried out by penal institutions, parole, or probation departments. Despite the obvious and powerful obstacles faced by the youthful ex-offender returning to society, little effort is being made to provide training, remedial education, or work. In the large proportion of cases, youths who receive no help choose the alternative or a return to crime.

Strategy

The ex-offender should be treated not as someone who has a personality disorder, but as a person who has an employment problem. Employment and employability need to be emphasized in order to bring about a change in life style.

Here are some of the essential elements of the strategy:

1. A multiservice organization should be devoted exclusively to serving ex-offenders. If ex-offenders mingle with the client population of other programs, they will lose out to less troublesome clients who do not suffer from correctional and criminal records. The ex-offender population needs a staff with the commitment and experience of a special agency to deal with their unusual problems. The counselors and teachers have to be experienced in supporting the transition from street life to lawful activity and gainful employment.

In addition, the transition service must target on employment and placement activities; otherwise, this hard-core group will remain unaffected by the services. A study just completed on "The Impact of Manpower Services on Illinois Offenders" (Knox 1978) found 186 CETA-funded offender programs nationwide in 1977. Program descriptions showed that, counting multiple services in many programs, 33 percent provide job development or placement, 38 percent skill or vocational training, 28 percent on-the-job training or work experience, 6 percent public-service employment, 33 percent vocational counseling, and 8 percent remedial education. Most of the 84 programs for which figures are available are job-placement oriented. But most of these are quite small programs with very limited services.

2. The transition service should be of substantial size in order to combine a range of services under one roof and to be cost-effective. Most ex-offender programs are not of this type. The Safer Foundation, for example, is six times as large as any of the other 20 offender programs in Illinois, both in enrollments and placements. Yet Safer's verified cost per client and cost per placement are among the lowest of the 20 Illinois programs; these costs are matched only by four other programs, which serve fewer than one-tenth as many clients and which use screening techniques to limit their service to the more employable ex-offenders.

The program needs a large staff in order to handle the clerical work of CETA and correction-department funding; to document operations, maintain up-to-date client files, report services rendered, and create client profiles for funding justification and for self-adjustments to the program; to provide individual attention to clients; and to support the necessary job-development and placement activities, including vocational counseling and job preparation in the program, and employer contacts in the field.

3. It is also important that a transition service program combine young and adult ex-

offenders in one facility. The inclusion of adult offenders means that a much larger job-development and placement function can be provided. The youths will benefit from job-development efforts that reach out across the employer community and open up a wider range of jobs. But above all, an experienced and capable staff is more likely to be financially supported by a program which aids both young and adult ex-offenders.

Nevertheless, the emphasis should be on helping the large number of presently underserved youths. It is notable that some 80 percent of Illinois' prison population was first arrested at the age of 20 or younger. By comparison, only 5.6 percent of the Safer clients in Dare, a placement program, are within this age group. Thus, Safer serves mostly adults; by implication, most youths who might be served are not being reached. Among the other Illinois ex-offender programs the proportion of clients under 21 years old is only in the 14 to 26 percent range.

4. A requirement that the ex-offender come in voluntarily is an effective screening device.

5. For ex-offenders age 20 and under, a major goal is to raise the clients' level of education to the point where they are competitive in the job market. This is not to say that the transition service should be offered to all ex-offender clients who select themselves by walking in the door.

For young ex-offenders, education is vitally important. It provides competency-based and life-survival skills, as well as General Equivalency Diploma (GED) preparation, which are so important in finding and holding a job and in providing current job credentials. Moreover, basic education skills are necessary to perform a great many jobs or to obtain promotion beyond the entry-level, minimum-wage job. Indeed, all job-placement activities for youthful ex-offenders should include a minimal educational component, teaching basic work competencies. The program should encourage youths to come back for further educational training once they have mastered an entry-level job.

The educational program for youths should be structured to promote and inculcate world-of-work values. Minimum wage stipends are to be used as a substitute for wages. Satisfactory performance and punctuality should be rewarded by bonuses and poor performance and lateness punished by docking, in accordance with most workplace rules of conduct. Clients should be dropped from the program for failing to adhere to the work rules, which govern absences, tardiness, comportment, and dress.

6. Youths should gain peer group support in order to replace former gang allegiances with a legitimate support network. Peer groups should be formed during the educational and job preparation component, and these groups should share duties in the operation of the program. The youth component should include participation by some recent graduates of the program, who serve as teachers' aides and as role models.

7. Where possible, youthful clients should be placed in on-the-job training (OJT) or apprentice programs after completion of the basic skills component. Much better linkages should be made between youthful ex-offender activities and other CETA training programs to provide continuing skills development for the large proportion of these youths who are capable of learning skilled trades. Optimally, the skills training or OJT could be combined with a further educational component in a 50/50 mix during the program itself. That is, the youth could spend half a day in skills training or OJT and half a day in classroom training for a period lasting six months or even longer. The skills development must be combined with a careful survey of the local job market so that the skills being taught are current and readily salable. Where possible, the youthful graduates should be placed in work environments where a number of their fellow workers are of a similar age and job category.

Placement into nontraining jobs is not to be excluded for a considerable proportion of youthful ex-offenders. Entry-level jobs are to be sought—preferably in businesses with

less than 50 employees—for those clients who do not wish to make the commitment to a longer-term training or career skills program. Some clients will want work experience during the course of an educational program and will leave early to take a job. They should be encouraged to return later or to come back once they have mastered an entry-level job. The program should provide leaves of absence and work sabbaticals.

To gain access for its clients to OJT and apprenticeship programs, the transition service should establish its credibility and the performance record of its graduates to make an impression on other social organizations. For example, trades such as carpentry and plumbing can be taught in cooperation with community development corporations involved in neighborhood revitalization projects. Union journeymen can be asked to supervise client apprentices. Clients can develop skills that ead towards self-employment—e.g., becoming mechanics or carpenters, learning rudimentary business practices, and gaining work experience with small, independent businessmen.

8. The transition service should provide extensive supportive services at its own facility and through referrals to other organizations. The object is to take care of the most immediate and practical needs first. The ex-offender group should investigate those services offered by local agencies and develop primary links with a few of the agencies. Thus, the quality of outside services could be monitored, and the number of outside referrals could be kept to a minimum. Elemental needs include: housing, a clothing depot to allow the youths to dress properly for job interviews; lunch money and carfare until the first payday; loans for tools; and outside referrals for medical, legal, or psychological needs and for drug or alcohol treatment (youths with chemical dependency must be in treatment to enter the program). Supportive services should assist in money management (how to budget, open a savings or checking account, arrange for a loan). Referrals to other agencies should be followed up by checking whether the client has received prompt and humane service.

9. A strong link should be forged with a state or local corrections department. Correctional officials should be used in an advisory capacity in order to gain their cooperation, learn the needs of their population, and reach the greatest number of youths. Where possible, the transition service should seek to become the official placement arm of a correctional department, particularly at a metropolitan or county level.

10. The intake principle is that clients should be self-selected. Referrals to the transition service must not be mandatory; the youth must perceive the transition as being independent from the correction department, not acting as surrogate parole or probation officers. The service should also develop contact with other agencies in order to become known as expert in serving ex-offenders. There should be screening of those who have committed serious criminal offenses. As a practical matter, though, sociopaths and deviants are unlikely to seek this help.

Description of Pilot Projects

The model for this project is the Safer Foundation, a nonprofit agency founded in 1972 by Chicago professionals and businessmen to provide job placement and counseling to ex-offenders. Safer actually has four programs: Operation Dare for placement; Prep training for adult probationers; Challenge volunteers; and Idea education for youths.

Dare (begun in 1970, before Safer) has counseled or tried to place 18,000 clients through the end of 1977. It estimates that 30,000 others in its area have not been served. The client population in a 12-month period now includes 23,000 adult ex-offenders supervised by Cook County courts; 1,800 Illinois state penitentiary inmates returning to the Chicago area; and 2,000 federal ex-offenders returning to Chicago. Safer's services to ex-offenders have grown rapidly; it dealt with 175 people in 1970 through Dare, 4,500 in 1977, and an estimated 7,000-8,000 in 1978. Safer's fiscal year 1978 budget is $1.8 million.

- The client enrollment goal was 2,500 ex-offenders; the actual verified enrollment reached 3,616. The job placement goal was 910, but placements actually totalled 1,323, or 37 percent of enrollment. Sixty-three percent of Dare's clients were referred for a job, 34 percent of whom had one referral and 29 percent of whom had two or more. In terms of enrollments and placements, Dare is six times larger than any of the other 20 Illinois ex-offender programs.
- The job retention rate is 77 percent after five days on the job; 55 percent after one month (roughly equivalent to retention rates after one month for nonoffenders in other employment programs); 46 percent after six weeks; and 29 percent after 90 days.
- Dare spent $528,000 in fiscal year 1977, including salaries for 35 job developers/counselors. Its cost per placement was $398; its cost per client served was only $145 (counting all clients for whom some service was given). These costs were much below the target goals of $579 and $211 respectively. Dare's costs per placement and per client are among the lowest in Illinois ex-offender programs, even though Dare serves the whole spectrum of county ex-offenders. A research analysis for 1976 showed a benefit/cost ratio of 5.09—meaning that per dollar of funding, Dare provided about $5.09 in savings and benefits to government and society.

In order to place 1,323 people in 1977, Dare made 12,000 employer contacts. Its staff members are both job developers and counselors, dividing their time equally between counseling and developing jobs in the field which is always done in person and never by phone.

Operation Idea is less than one year old and has graduated two classes. It provides educational upgrading for youthful offenders who are 14 to 21, have been out of school for at least two months, and have been adjudicated for a criminal offense. Idea's clients receive three basic services—upgrading of reading and arithmetic skills in a work-simulating atmosphere; some peer-group socialization; and placement in further education, training, or work.

Idea has a number of basic concepts. It puts education before employment, using its remedial education as a combination of screening device, preparation for work, and social transition. During an eight-week period, the youths spend five hours per day at Safer, getting one-to-one help from teachers and monitors (who are graduates from the previous class); an additional 2-3 hours of home study is expected. Education is self-paced. It occurs in a work atmosphere that makes demand equivalent to that of a job. Minimum-wage stipends are paid—again to make the education resemble a paid job. Bonuses are paid for good attendance, comportment, and performance; wages are docked when attendance, comportment, and performance are poor. The focus is on passing the GED exam and placement in further training so that the eventual job placement will be well above entry-level. The educational component is deliberately short and intensive: it holds out a very close goal (remediation and passing an exam) and requires strong motivation.

Idea's results are encouraging so far. Out of 47 young clients who have passed through the first two classes, about 80 percent have been placed within two months in further training or in a job. Eighty youths entered the class; a majority of the 33 dropouts left in the first week. "They realized quickly that work is hard for the money involved," says Thomas Harris, Idea's director. Dropouts tend to be among those who have been most recently released from prison. Of the 47 graduating youths, almost half were placed in the first two weeks. The placement rate may be more than 80 percent within two months, counting those whom Safer couldn't track. About twice as many placements have been into profit-making firms as into apprentice training or OJT. The average wage for Idea graduates is $3.50 per hour.

Only one Idea client went back to jail; two have died in noncrime accidents. Idea's recidivism rate—in Safer, recidivism is calculated for one year after each client walks in

the door—is at least as low as Safer's overall recidivism rate, which had been 7 to 8.5 percent, and last year dropped to 5.6 percent. This means that in Dare, only 202 of the 3,616 clients went back to jail within one year. Yet Safer is serving those who have committed all types of offenses, since 81 percent of all Chicago-area parolees in a recent year came to Safer for help.

Idea is encouraged also by its educational results. In the most recent eight-week class, nineteen youths took the GED exam at the end; seven passed and four others received a score of 200 (225 is passing) and will stay on in Idea remediation for another four weeks to pass the exam. Most youths advance two or three grades in reading and arithmetic levels in two months. Mr. Harris estimates that the Idea youths progress about seven times as fast as the national school norm and about fifteen times as fast as students progress in a ghetto school.

Idea's budget for 6.5 months of operation in fiscal year 1978 was $163,000; it will be $253,000 for all of fiscal year 1979. It costs $1,250 per person; $530 for the stipend ($2.65 per hour × 25 hours per week × eight weeks), and $720 for staff and other costs.

Expansion

The Idea program should be greatly expanded at Safer, subjected to a three-year demonstration and evaluation, and replicated in several other locations. Safer needs first to attract more money for Idea in order to serve more youthful ex-offenders. Current funding is from the Illinois Department of Corrections, which in turn uses funds from CETA and the Law Enforcement Assistance Administration (LEAA).

With more funds, Idea would retain its short, eight-week sessions in order to serve more youths and to maintain both the short-range goals and the youths' motivation for concentrated efforts. Safer would multiply the number of youths in Idea many times over; it aims to teach 200 to 300 youths at a time, whereas the present class limit is 40. Moreover, it would start a new class every four weeks and overlap the classes. At present, youths have to wait too long—up to eight weeks—to enter.

Idea and Safer would like to strengthen linkages to other programs so that more and better training placements could be made in apprenticeships and OJT. The Dare job-placement program should be linked to the Job Service computer listing of job openings; this would ease the Dare job developers' task. More promotional efforts directed toward business should be funded. Other CETA-funded intermediary organizations with good ties to business, such as the Chicago Alliance of Businessmen Manpower Services (CABMS), should take in Idea graduates. Cook County CETA might increase Idea's funding in cooperation with Labor Department support for a national demonstration.

Safer also wants to expand the social and peer-group aspects of Idea. Safer finds that young probationers (those who are sentenced to probation rather than to jail) have closer gang ties than parolees do. Over 50 percent of Idea clients have gang friends, and one-third are gang members. Even at graduation, some 20 of the 47 youths had some current gang connections. Yet the graduates show significant attitudinal changes, including higher self-esteem and expectations for success in legitimate activities.

Safer would experiment with developing an alternative social environment for its youths. This could be a semi-controlled environment such as a halfway house or dormitory, but it should not perpetuate an atmosphere of dependency. Safer believes it is vital for the youths to be responsible for their own lives: this suggests that supervision would be minimal or that a social program—but no living arrangements—should be provided. Stipends might be increased to finance the youths' relocation to another part of town.

Another possibility is to put the whole Idea program into prisons, perhaps linked to an in-prison skills-training program. Undoubtedly, Idea remediation plus skills training would be a better use of prison time, provided that the training was closely linked to

outside occupational demand and good job development. However, Safer does not want to lose self-selection by strong motivation. In Idea, the youths are entirely self-selected by coming to Safer outside of prison, by their willingness to obtain their last school record, often by a long wait for entry into a class, and by their willingness to concentrate and work hard in the program at a minimum wage. Safer asserts that all too frequently offenders who are trained in prison lose their motivation after release. Without a drive to succeed, the graduates would make poor placements and Safer's reputation and relationships with businesses would suffer. Moreover, an in-prison program would not clearly result from free choice and could be associated with punishment or with early release. On balance, given the apparently strong connection between free choice and program results, a Safer type of *out-of-prison* program would seem preferable to in-prison training. In addition, the great preponderance of offender youths are not in prison at all, or there only briefly, so that for Safer to reach them, the program should be out of prison.

Demonstration, Evaluation, and Replication

The first need is to continue to evaluate the Safer/Idea results and to enlarge the Idea program to fill the local need. With 200 to 300 youths in each class, Safer could make a dent in the need. Safer estimates that 30,000 ex-offenders of all ages in the Chicago area—who could take advantage of the Safer program—are presently unserved. If roughly 10 percent of this group would be suitable for Idea, Safer would like to service about 3,000 youths annually, starting a new class every four weeks. This would mean an annual enrollment of 2,400 to 3,600—an appropriate goal for a city the size of Chicago.

For small cities and replications, a more modest goal might be to serve 300 youths within the first year and then to expand.

To serve 2,400 youths annually at a cost of $1,250 per person for an eight-week class, the Idea budget would be $3 million. The added cost of Dare placements in further training and jobs, at a per-person cost of $400, would be $960,000. The total cost would be $4 million for 2,400 youths, or $1,666 per youth. For 3,600 youths annually, the total cost would be $6 million, with the same per-person cost. This may be compared to the cost of incarceration, which is roughly ten times as great, and to this must be added the incalculable social and economic costs of crime. But the real costs and benefits relate to the effects on the lives of each individual youth.

The cost of an Idea demonstration probably should be shared among local CETA prime sponsors, YEDPA, and LEAA crime prevention funds. Within several years, however, youth demonstrations and LEAA funding may have ended. This points to the need for national funding of youth ex-offender employment programs—either through CETA or through separate legislation. At present, major funding in other locations is likely to come through CETA prime sponsors. Eventually, the new CETA Title VII Private Industry Councils (PICs) could be a supplementary source of support.

Any demonstration or replication must carry with it an appropriate evaluation process. Through evaluation, the program must be periodically and systematically self-correcting. A tracking component should analyze the client flow, client needs, and services rendered, the staff and class performance, and the follow-up results in the lives of the graduates for two years after leaving the program. Evaluation results should be available every six months so that the program can be adapted to respond to the evaluation.

An evaluation should not be limited to a few measurements, nor should it be just quantitative. For example, the recidivism rate is probably of declining value, since most young offenders don't go to prison or don't get arrested. It is true, that many offenders may engage in both employment and occasional crime. The rate of return to prison doesn't tell much about the incidence of crime.

The criteria to measure a Safer program should include the breadth of the intake and services, the proportion of trainees who complete the program, the proportion of placements (counting self-placement as a positive factor), the skills gained, and the comments of clients, staff, and employers concerning the usefulness of the program. Cost-effectiveness is certainly relevant, but less important than the *quality* of the assistance to individuals. Ultimately, the concept and philosophy of the program may determine its success, especially as the concept is adapted to conform with reality. The Safer/Idea program indicates that ex-offenders, young or old, must do the hard work themselves, even as they need help, if the program is to succeed.

What would a replication entail? It should preferably be funded for three years, since it takes about one year to reach operational efficiency and develop community contacts, one year to test a basic concept, and one year to make major adjustments for local circumstances that are discovered only through experience. Ruth Harris, director of Operation Dare, suggests that in a new location it would take up to a year to obtain program approval from the major authorities and funding sources, including six months to sell the concept; that one or more local organizations needing an ex-offender program in the area should assist in providing access to funders and in making use of the program; and that technical assistance should flow from an *existing* program, such as Safer's, to the new entity. Mrs. Harris estimates that technical aid from the Safer staff might cost as little as $25,000. A linkage to another intermediary organization would be quite important —particularly to an OICs affiliate or a business-run employment intermediary (like the new Private Industry Councils)—in order to facilitate follow-up placements into training and to speed the development of contacts with the private sector.

Cost-Effectiveness

The rationale for a youthful ex-offender program is based on the high cost of youth crime and the low availability of coping mechanisms. Given the need and the lack of help, most programs would probably be cost-effective. But the transition service outlined above, based on the Safer/Idea model, seems particularly efficient for a number of reasons:

- It focuses on remedial education preparatory to further training for skilled jobs.
- It offers access to the private sector through a high quality job-development program.
- It makes use of corrections department personnel and referrals, and, in turn, serves the corrections, parole, and probations departments.
- Its training and job-placement costs are equivalent to those of the best manpower activities elsewhere in the nation.
- By other measurements, such as recidivism and proportions of completions and placements, it is efficient.
- Through Idea, it has a well-developed program exclusively for youths, yet it benefits from the other Safer staff experience and specialization with ex-offenders.

A replication of Safer/Idea might reasonably expect to achieve these relative measures of cost-effectiveness in three years of operation, given adequate funding and linkages to local organizations and the private sector:

- Excluding stipends, a cost of $750 to $1,000 per youth for a short, intensive class, and $400 to $500 per youth for placement.
- A completion rate of 50 to 65 percent.
- A placement rate in jobs or further training of 80 to 85 percent within two months of graduation, including self-placements.
- Changes in the youths' attitudes toward legitimate activity, crime, and gainful employment, plus increases in self-confidence and self-esteem.
- Low rates of subsequent arrest, parole or probation violations, or return to prison among the graduates.

The Safer/Idea program provides the opportunity for ex-offender youths to change the course of their lives and, largely through their own efforts, to grow and develop.*

Pilot Program No. 9
Industrial Skills Training: The TAT and Hampden Models

These industrial skills-training centers, which efficiently prepare disadvantaged youths and place them in better-paying entry-level jobs, have been successfully replicated. A strategy for more widespread replication is proposed.

Industrial skills-training programs combine a careful intake and assessment, remedial education, skills training lasting about six months, world-of-work orientation and development of appropriate work attitudes and habits, counseling, and job development and placement closely tied to local labor-market demands. Existing, outstanding models include the Training and Technology program at Oak Ridge, Tennessee, administered by Oak Ridge Associated Universities (ORAU), and the Hampden District Regional Skills Center, in Springfield, Massachusetts. These skills centers are in the process of establishing three replications—by ORAU in Charleston, South Carolina, and Atlanta, Georgia; and by Hampden, in the adjoining Hampshire County, Massachusetts.

A large number of new skills centers could be established to provide a superior mixture of industrial training and work preparation, to serve employers who have increasing difficulty in finding skilled, job-ready workers, and to open up better-paying technical jobs to disadvantaged youths who have not otherwise been prepared adequately for industrial employment by existing school and training institutions.

Problem

Employers assert increasingly that the public schools and vocational-technical schools are failing to provide youths with proper work attitudes and habits, with an awareness of the range of industrial occupations that are in demand, and with the requisite industrial skills to meet entry-level, skilled job openings. Yet a number of skills-training centers have demonstrated that these needs can be met with a high degree of employer satisfaction with the graduates' preparation and work performance.

Model

1. The basis for any skills center is to assess the occupational needs of industrial employers within an area or region. These surveys should establish specific occupations for which skilled workers are in demand; develop initial relationships with employers who will provide feedback on the specifics of the training curriculum and skills that will fill their needs; and become the opening contacts for later job placement.

2. Where possible, a grouping of employers or a formal consortium of companies should be fostered so as to organize an initial market for skills-center graduates. These companies might be part of a new Private Industry Council, with CETA Title VII fund-

* For analysis and research on Safer, Dare, and Idea, see George W. Knox, *The Impact of Manpower Services on Illinois Offenders* (Chicago, Ill.: Cybersystem Research, Inc., 1978) and Knox, *An Analysis of Educational Upgrading for Youthful Offenders* (Chicago, Ill.: Cybersystem Research, Inc., 1978).

ing, or could be part of a looser industrial advisory board. The companies should be a prime source of industrial instructors for the skills center.

3. Skills Training Improvement Program (STIP) funding is especially appropriate for skills centers. Title I CETA funding can also be used to pay for most elements of the program, including tuition and stipends. Since STIP is designed to involve the private sector in training, emerging skills centers should have a special claim to this support.

4. Skills training must be combined with world-of-work courses, in a setting that prepares trainees to satisfy employers' needs. Without this combination, skills centers may not be much more effective than existing vocational schools.

5. Skills centers must be measured by their job-placement effectiveness and by the employment history of center graduates. Whenever placement falls below a high level, such as 80 to 85 percent of graduates in a specific occupational cluster, that type of training should be dropped from the curriculum.

6. Skills centers must train only for labor scarcities. They must avoid creating a surplus of skilled workers in any occupation.

7. Once a center is established, it should broaden its functions. It should offer in-school occupational orientation to ninth- and tenth-graders. It should encourage more bilingual work preparation wherever a substantial Hispanic population exists. It may also serve women returning to the labor force and older workers or retirees who wish to shift careers.

8. Above all, a skills center must be industrially oriented. It should attempt to gain some financial or political support from larger employers on the basis of the services it provides. It should seek steadily to find new training needs, update its curriculum, bring in employers for site visits, improve its ability to teach work habits and explain industrial standards, enlarge its employer base, and serve as an advocate to government and the school systems of the value of its programming.

Description of Models.

The following descriptions of the TAT and Hampden skills centers, and their replications, are meant only to illustrate successful industrial training models. There are undoubtedly other examples which succeed reasonably well. However, the TAT, Hampden, Charleston, and Atlanta skills center reflect the combined elements of the strategy. They have adequate size and funding, high rates of program completion and job placement, strong industrial partners or linkages, and the capacity to provide technical assistance, proven techniques and curriculum support for new centers or for the revitalization of existing centers.

Training and Technology Program, Oak Ridge, Tennessee. The Training and Technology (TAT) Program has existed since 1966. In an 11-year period, from 1966 to 1976, 3,000 young adults completed the program, constituting 82 percent of all enrollees. TAT has succeeded in placing 96 percent of its graduates in private-sector jobs. In recent years, an average of 63 percent of graduates were previously unemployed. Graduates have shown large gains in after-training income: the average 1975–76 placement wage was $5.59 per hour. For the class of 1972, the average annual income after training was $7,509; the trainees had previously earned an average of $4,484.

By other major evaluative measures, the TAT program has been successful. Overall, TAT trainees have worked 90 percent of the time since graduation. They have been hired by more than 60 employers in over 170 categories. An evaluation by Oak Ridge Associated Universitites, the nonprofit intermediary organization which manages the training program, showed in 1977 that the majority of graduates had reported satisfaction with almost all aspects of their work. Some 87 percent of employers rated the performance of graduates to be "adequate" to "superior."

The TAT model is based on at least eight major components of a skills center: (1) the application of high standards of industrial training and work behavior; (2) the use of industrial instructors with substantial work experience and current knowledge of a specific trade; (3) the use of modern industrial equipment; (4) the simulation of industrial conditions within the facility; (5) the teaching of an up-to-date curriculum which serves the occupational needs of area employers; (6) the linkage of the job-placement function to a group of employers who regularly turn to the skills center for their hiring; (7) adequate feedback from employers about the performance of graduates and the program itself and about new occupational training needs; and (8) management by an industrial organization to provide program continuity, seek new funding, and administer, audit, and evaluate the program.

The TAT program has especially served the employment needs of the government-owned Union Carbide-operated nuclear plant at Oak Ridge, plus the needs of the Tennessee Valley Authority. TVA is the largest single employer using this program; it presently hires about one-third of the graduates, while Carbide's share has been reduced to less than one-quarter of the graduates. These employers are unusual in their need for a large number of technically trained and skilled workers. This explains why, despite the success of the TAT program, the other six manufacturing divisions of Union Carbide have not set up a similar program in their facilities. For one single employer to provide facilities for a skills center in its plant, it must have a very substantial and growing need for a variety of technicians. Nevertheless, the Union Carbide experience with TAT shows that where these conditions exist the company may be well served by adopting a skills center. Union Carbide has found that the TAT program has met its affirmative action goals; that it has provided an adequate supply of entry-level, skilled craftsmen; that it has cost the company very little, considering the reimbursement of the costs of instructors and the government provision of equipment; and that the TAT program has been a very great asset in the company's community relations.

Charleston. ORAU has organized a consortium of five companies to become the industrial partner for a new skills center. The companies have formed the Private Industry Council of Charleston, or PICC. The consortium thus satisfies the Skill Training Improvement Program (STIP) requirement that a private-sector training program have an industrial partner.

Initially, ORAU had reached tentative agreement with a General Dynamics facility in the area whereby the company would have played a role equivalent to that of Union Carbide at Oak Ridge, namely, providing a large industrial facility, modern equipment, office space, and an assured employer for many of the graduates. But General Dynamics headquarters in St. Louis vetoed the plan. The consortium was put together instead. The result is that the skills center has had to concentrate on satisfying the occupational needs of small and medium-sized employers throughout the area, rather than serving a few very large employers.

Potentially, the linkage of a skills center with a PIC may greatly strengthen the skill center's links to nearby businesses. Plant and general managers in the participating PICC companies are providing access to other businessmen. Since the sole activity of the PICC is presently the skills center, the development of the PICC means the development of the center. Companies joining the PICC have no formal obligations to hire center graduates or to contribute financially. But they are expected to help supply industrial instructors, to support the center's industrial atmosphere, to keep the curriculum up to date, and to provide continuing feedback on new occupational demands and on the performance of graduates. Moreover, the consortium partners, led by Bosch and by a Cummins Engine plant, were instrumental in gaining the governor's support for funding the skills center through STIP.

The center accepted its first class of 80 trainees in July 1978. Its $1.7 million STIP con-

tract specifies the training of 268 students through May 1979. The budget includes nearly $1 million for administration, services, and training, plus stipends, rent, equipment, and consumable supplies. The cost per person is $6,368 including $3,612 for tuition and $2,756 for six months of stipend at $2.65 per hour.

The Charleston center has set high targets: its negative attrition rate during training is less than 20 percent and its current placement rate for graduates is expected to be 85 percent for the first year, with a placement rate of 89 to 91 percent projected for the second year. Its greatest uncertainty concerns the sources of future funding. It would prefer another STIP contract because STIP provides more solid funding for equipment and facilities. But STIP is intended to be for short 18-month demonstrations of private-sector training programs. The Charleston center may have to shift to CETA Title I or the new Title VII funding, and these would be less stable sources of support.

Charleston also is confident of the value of its training for area employers. It presently offers four vocational clusters—machine-tool operation, welding, sheet metal, and industrial electricity. These clusters were chosen as a result of surveys of local employers and of projections of local industry needs for the next five years. The instructors come directly on loan for six months or a year from local companies, particularly from the consortium members. The instructors are the principal source of industrial atmosphere and know-how and are expected to return to industry after a brief stint. The center asserts that by comparison, vocational school instructors in the region have lost the state of the art once they remain in a technical school for several years or more. The Charleston center expects that with its intensive atmosphere, its schedule of 40 hours per week, and its use of industrial instructors, it will provide in six months a training experience which is comparable to or better than that provided by state-run technical schools in eighteen months.

This training is being provided to disadvantaged youths and young adults whose incomes must be less that $6,000 and who have been unemployed for at least 16 weeks prior to application to the program. The client profile shows that about 30 percent of the trainees are 20 years or younger; about 40 percent are school dropouts; and about 80 percent of the first group of students are minorities (the contract specifies that 55 percent of the students must be from minority groups). The program is designed for the hard-core disadvantaged. It is expected that about 75 percent of the trainees will be young—24 years old or under.

Charleston expects that graduates will earn $4.00 per hour or more. It seeks funding for postplacement counseling and follow-up, especially to encourage graduates who have been working for a year or more to continue further technical training. Ultimately, the Charleston center aims to emulate the programs of the General Motors Institute in Detroit, which can train up to 10,000 technicians per year, or those in Stuttgart and other West German cities, which train 10,000 apprentices or more for local labor markets.

Atlanta. Oak Ridge Associated Universities has also developed a skills center located in the large facility of the Lockheed-Georgia Company in Marietta, Georgia, on the outskirts of Atlanta. STIP funding is paying for 200 training slots for operations from June 1978 through May 1979, with a total budget of $1.2 million over 18 months (the program required six months to begin operations). A new grant will run through February 1980, and it is likely to be augmented by funding from two new prime sponsors. The program costs $6,000 per person, of which about 40 percent is paid directly to trainees as stipends.

The Atlanta program resembles that of TAT Oak Ridge in that it is located in a single large company; it uses ORAU for administration and management; and it provides entry-level technical training. However, Atlanta will serve primarily the employment needs of small companies and by contract; its graduates cannot be hired by Lockheed

until the company has worked through its large list of former employees on layoff. Like Oak Ridge, Atlanta is aiming for virtually 100 percent placement of all trainees who graduate, mainly as the result of its occupational surveys and job-development efforts with small companies.

Several elements were essential for the Atlanta program to become a reality. One, obviously, was the support of the Lockheed-Georgia Company. It required three months of negotiations, from July through October 1977, to reach agreement with the company on the basic proposal. Final approval had to be obtained from the president of the Lockheed-Georgia Company. After further details were worked out, the center opened in March 1978. Lockheed built a new building to provide the training partly because of its future growth prospects; since the average age of Lockheed employees is 55, the company will have a future need for new trained workers. Lockheed is committed by contract not to hire the program's trainees, so long as any of the 1,500 workers on layoff wish to return. But these workers were laid off six to eight years ago as production of the C5A transport declined, and it is assumed that most of them would no longer return to Lockheed.

The local union of the International Association of Machinists has objected to this program on the basis that some trainees might compete with union members. The union has complained to the Labor Department and has opposed further funding for the skills center. Both the dispute and government funding have continued. This dispute emphasizes the importance of gaining local union support for any industrial skills-training center in the area and of exercising care that a skills center does not conflict with local collective bargaining agreements.

Another major ingredient is the STIP II funding, which will provide about $1 million for 18 months of operation. This provides somewhat greater stability than other CETA funding. STIP requires that the program enroll those who have been unemployed for at least 15 weeks and thus focuses more clearly on the hard-core unemployed. STIP also specifies the skill levels that are appropriate for training, and as a result the Atlanta program finds that it must seek jobs paying $4.50 to $5.00 per hour.

The program has also received YEDPA funding from the local Cobb County to pay for 70 training slots in welding, electricity, and word processing. Of the 70 people who have entered these classes since March—all 18 to 20 years old—45 graduated in July. This is a higher dropout rate than in the ORAU program in Oak Ridge, but still promising for a new program. Atlanta obtained a 93 percent placement rate for these youths.

The program presently has five classes, with 90 enrollees in machine-shop operations, welding, electricity, and drafting classes. ORAU expects that virtually all the graduates will obtain job offers, based upon the existing labor-market demands in these fields and the program's job-development efforts. These efforts are based mostly on field work and telephone calls to employers. A full-time job developer interviews all the trainees before they go out on interviews, and typically will go with the trainee to the interview. Lists of employers are obtained from other employers, from equipment dealers, from the telephone book, and from driving tours of the area. Most of the employers will be small companies, spread all over the state and therefore matching the Atlanta program's intake of clients from the balance-of-state CETA that serves all of Georgia.

Hampden District Regional Skills Center, Springfield, Massachusetts. The Hampden skills center consists of four facilities which provide regional intake and assessment for 3,000 people annually; basic, bilingual and vocational education for about 1,800 of this total; and vocational skills training for 1,200. Of the 1,200 skills trainees, about 1,000 complete the program and 80 to 85 percent of these are placed in private-sector jobs. The essential elements of the Hampden center are that it provides a disciplined industrial atmosphere in a school setting, without needing to be sited in an industrial facility; it has high credibility with area employers so that about 75 percent of graduates receive a job

offer at their first referral; it offers a wide range of occupational choices (13 vocational clusters at present); and its basic contribution to local economic development is being increasingly accepted by businessmen, elected officials, and prime sponsors.

The skills center has a $2 million annual budget for all its activities, including intake and assessment, vocational training, and other programs for in-school youths and special groups. It is funded by nine separate contracts, with major support from the $30 million Hampden County CETA program in Western Massachusetts. About $1.5 million of the total $2 million Hampden Center budget supports the skills training and associated services and pays a staff of 76 people within the total staff of 110. The program serves about 600 client at any one time.

A recent Labor Department review of the Hampden skills center found that employers value Hampden graduates for having acceptable skills, attitudes, and workplace discipline; the graduates are reputed to be the firms' best referrals in many occupations; and a sampling of recent graduates showed that about 90 percent were employed full time in jobs with average annual earnings of over $7,500.

The center serves in-school and out-of-school disadvantaged youths and disadvantaged adults who need skills because they are unemployed or underemployed. It trains people entirely for the private sector. But it also provides in-school vocational education for junior high and high school students who earn school credits. It has just initiated a program for 200 ninth-grade students, in both English and Spanish, providing a competency-based curriculum for world-of-work and occupational orientation.

Hampden believes that the skills-center approach is superior to the vocational-school or technical-school approach. It offers 25 weeks of training for occupational clusters that are taught in 75 to 100 weeks in vocational schools. It asserts that the actual skills training is not as important as the inculcating of proper work attitudes. World-of-work orientation is the core of the real learning process that is most important to employers. Hampden staff members assert that public schools, as well as vocational schools, have not recognized the need to teach work-related skills and attitudes to all students. The result is the increasing need to compensate through programs such as Hampden's. The average cost of $3,200 to $3,400 for an average of five months of training, coupled with the high 80-to-85 percent placement rate in private-sector jobs, makes the skills-center approach exemplified by the Hampden program far more cost-effective than vocational schools or than most other employment and training programs.

Northampton, Massachusetts. The Hampden skills center provided technical assistance to the adjacent Hampshire County CETA Skills Center, in Northampton, Massachusetts, to enable it to begin operations in May 1977 with 65 students. The courses included: basic education, welding, clerical skills, and machine shop. The center aimed to serve small industrial employers within an agricultural and small-town area. It renovated a 40,000-square-foot warehouse, borrowed some instructors from the Hampden skills center, and used the state employment service unit in its area to carry out occupational surveys and to target employers for job placement. Its budget of $300,000 has paid for classes of 65 trainees twice a year, at a cost per person of about $1,400 for training, $1,600 for stipends, and $400 for counseling. The Northampton center also offered remedial education and orientation for world-of-work attitudes.

In its first full year of operation, the center had a graduation rate of about 75 percent and a job-placement rate among graduates of about 60 percent. It feels that this was a good first-year record. However, the center expects difficulties in raising these ratios, since many trainees leave early for seasonal agricultural work and the area does not have any large industrial employers.

Nevertheless, Northampton shows the feasibility of replicating the Hampden skills-center model, even in a nonurban area. It is being supported by the county both to upgrade industrial training and to encourage new industrial employers to move into the area.

Replication

Both ORAU and the Hampden skills center would like to provide administrative or technical assistance to other skills centers. The Hampden center has proposed that at least one skills center in each of the ten Labor Department regions be designated as a source of technical assistance for its region. This assistance would flow to CETA training agencies and prime sponsors that need improved training-delivery systems. The assistance would cover the design of teacher-training programs; the improvement of competency-based curricula; the design of performance objectives and documents for evaluating and reporting; the strengthening of assessment components; the acquisition of better labor-market data; the broadening of training options; the sharing of counseling techniques; the expansion of bilingual training; and the support of better job-orientation courses.

The Hampden center would specifically like to offer technical assistance to an existing skills center located in Boston Navy Yard. It estimates that about $150,000 would be sufficient funding to provide redevelopment and staff training, peripheral training programs, job orientation, and better job development in the private sector. This would pay for locating five or six Hampden staff members in Boston for about a year.

If a new skills center is to be established, Hampden estimates that it will require about $500,000 annually for an initial three-year operation—provided that the prime sponsor also pays stipends and the cost of the facility. The total cost might be about $1 million per year to train 300 to 350 people and to place 95 percent of them in jobs.

A large number of government-owned facilities around the country might be suitable as skills centers. These include deactivated military bases, which usually are equipped with substantial amounts of mothballed industrial equipment, and large industrial plants for military and energy uses.

Strategy

The essential strategy would be to expand the number of industrial skills-training centers that are organically linked to industrial partners or to the surrounding industrial community. The single most important step is to locate and induce groups of employers to adopt a skills center as a major source of their technical hires. It is desirable—but not essential—to find one large company that can provide unused space in an industrial setting and lead the job-development effort among other employers. But a grouping of employers may be just as suitable, and the proper industrial setting can be created anywhere, as the Hampden and Charlotte skills centers demonstrate, provided that the curriculum, instruction, supervision, and work discipline are adequate.

The Hampden center's proposal is the basis for the strategy. It suggests that at least one existing skills center in each of the ten Labor Department regions should be the technical-assistance resource to upgrade existing vocational and technical schools and other skills centers; curricula must be modernized and in many cases entirely revised to meet current work-force needs; instructors must be obtained from employers; and job-development components must be added where they are largely missing. The environment of the skills centers or schools must conform to the industrial world. High placement standards must be adopted, or else existing schools and centers should be phased out.

The immediate needs are for the funding of technical assistance and the marketing of the concept to major employers or groups of employers. Many emerging PICs could adopt a regular skills center as a major focus of their activity, as Charleston has done. Leading companies could play the role created by Union Carbide and Lockheed-Georgia—that of godfather to a skills center. Existing military bases, deactivated bases, and other federal facilities could be canvassed to find needed space.

These steps will not happen by themselves. They must be sponsored by an organization that is experienced in the human resources field and that is paid to establish new

skills centers. The prototype is the Manpower Demonstration Research Corporation in New York, which manages 13 supported work-demonstration projects throughout the country. An equivalent institution should be chosen to manage the expansion of industrial skills centers. The expansion effort, with its marketing, technical assistance, management, and evaluation functions, should be financed by the Labor Department.

Pilot Program No. 10
Consortium for a Middle-Sized City

In a middle-sized industrial city where individual agencies lack the means to help out-of-school disadvantaged youth find employment, a community-wide pooling of resources could bridge the gap.

Problem

Disadvantaged out-of-school unemployed youths in a middle-sized city such as Bridgeport, Connecticut, reveal many of the characteristics and problems of their counterparts in big cities (see notes at end of Pilot Program No. 10). In Bridgeport itself, a 130-year-old industrial city of 140,000 in the center of a metropolitan area of 380,000, a large proportion are minority-group members (blacks and Puerto Ricans) from low-income families, poor in self-image and school achievement. At least a third of Bridgeport's high school students drop out before graduation, and many who graduate have neither basic literacy nor job skills. These difficulties compound the immaturity and lack of experience that handicap youth generally in the job market.

In allocating services to youth, the community gives priority to those who are in school. This is true of the National Alliance of Business (NAB), CETA, and the United Way. NAB's priorities reflect the judgment of the city's dominant employers that out-of-school youths are too difficult a group to help. The employers who need workers and would consider hiring more youths are not easy to identify. Many are small firms which are not members of the Chamber of Commerce, and not known to NAB, and are not unionized. Most of Bridgeport's large employers are wary of government interference, and the small ones fear that they are unequipped to handle the paperwork involved in government-sponsored programs. On-the-job training (OJT) programs have had difficulty finding employers willing to participate.

Bridgeport now has no service giving particular attention to out-of-school youth. With few exceptions, the training programs available to them enroll both youth and adults. The youths are usually at a disadvantage when they compete with a more mature population. Because the community agencies with greatest access to the inner-city youth population have limited access to the private sector, they place few youths in unsubsidized jobs. Youth agencies and CETA administrators recognize that more should be done for out-of-school jobless youth. However, competitiveness fostered by the nature of CETA and YEDPA funding has weakened cooperation among community groups. Up to now CETA staff have only reacted to proposals submitted by groups competing for their funds rather than taking the lead in planning. Any initiatives CETA takes now have to contend with a well-publicized view that city hall politics dominates its decisions.

Who Would Hire More Youth? Under What Circumstances?

A sampling indicates that a substantial number of employers would hire more youth than they do now under certain circumstances.

1. There are jobs that youths could fill if they realized they could qualify. For example, a local bank needing to recruit 100 tellers and two mail-room workers advertised both positions. Hundreds of young applicants appeared for the mail-room job, but hardly any applied to be tellers because they assumed that they would not qualify. The bank has hired and trained a number of the mail-room applicants to become tellers.

Bank officials describe favorably their participation some six years ago in a program which gave preemployment training and counseling after placement to the disadvantaged, and extensive sensitivity training to bank personnel who became their supervisors. The bank would be glad to participate again if such a program were available.

2. Some jobs that unskilled youth can get have extremely high turnover because the hours are unattractive or the work is considered menial. Such jobs might be filled as short-term first steps for a succession of youths enrolled in a job and career program. This possibility drew interest from the head of one of Bridgeport's three wholesale bakeries, who usually has five or six youngsters under 21 in his work force of 30. Though he tries to move workers from unskilled to semiskilled or skilled positions in two to two and one-half years, and starting pay is $4.05, he has not been able to overcome very high turnover in unskilled categories. He would benefit if the entry jobs could stay filled, particularly if the incumbents could be motivated to do good work while in his employ. His one caveat is that the union would have to accept any placement plan. Union objections have stymied two attempts to hire and train new workers through OJT and state-sponsored apprentice programs.

3. Among the hundreds of small retail stores, service establishments, and light industrial plants scattered throughout the city, openings occur through turnover, expansion, or seasonal peaks for jobs requiring only minimal training. Most often the employers hire applicants recruited informally, recommended by friends or relatives. Unknown applicants, and especially youths with no references or work histories, are considered poor risks. Some of these employers would be readier to consider young applicants if a credible source could vouch for them and would share the responsibility for monitoring and guiding new young workers' job behavior. Several employers noted that they required no specific training other than simple math skills along with ability to reason, qualifications most young job seekers lack.

4. There are skilled jobs for which demand is so great that employers are willing to accept workers, including youths, after limited training. For example, this kind of demand exists in Bridgeport for machine-shop workers. A ten-week CETA-funded training program, sponsored by the area's Central Labor Council, prepares severely disadvantaged persons for machine-shop work. Along with skills training, the program gives heavy emphasis to improving self-image, job attitudes, math, and reading. The program has made few placements in large, unionized firms but has developed twice as many jobs as it could fill through contacts in more than 500 small, nonunion machine shops. A job developer visits employers once a month for follow-up and development of new jobs. According to CETA records, of 199 persons enrolled, 100 were youths under age 21; a total of 131 were placed in jobs (56 percent), of whom 69 were under age 21. The intensive support given may explain the encouraging record of youths in this program. Less success has resulted from the first year of an OJT program for machinists conducted by the same labor council for out-of-school youth only. Turnover was very high, perhaps because at intake there was no adequate screening for interest, or because the coordinator-counselor had never worked with youths before, or because the typical OJT is more appropriate for more mature trainees.

An example of a small employer optimistic about participating in OJT is a small manufacturer of coats. His 25 workers are approaching retirement age, and the Garment Workers' Union is unable to provide replacements because nearly all of its members are elderly. This employer wants to bring in fresh blood by recruiting four to six workers for

a state-sponsored OJT program, and he thinks that a neighboring shirt manufacturer may be ready to do likewise.

Strategy

Bridgeport and similar cities could solve these problems through a community-wide consortium. The reasons are as follows:

1. To significantly improve the linkage between existing jobs and this urban youth population, a coherent, highly visible effort is required, which will locate and address the needs of both the potential employers and the potential workers.
2. The effort is more likely to succeed if it is tailored by an individual community to make use of existing agencies and resources, offering incentives for urban youth to work cooperatively, instead of creating a new agency in competition for funds and community support.
3. In a medium-sized city, it is possible to attract community-wide attention to job strategies for youth with a strong rationale for their community importance. A well-publicized effort under respected leadership can develop jobs for youth among many of the smaller employers needing workers, using the network of groups (e.g., civic, neighborhood-business, ethnic-social, religious, athletic, political) to which most of them belong.

The objectives of the consortium for out-of-school youth should be:

1. To help youths to develop "credentials" as workers, develop and strengthen basic skills and problem-solving abilities, develop specific job skills, develop and reach short-term job-related goals, and reset these with increasing self-knowledge.
2. To bridge the gap between employers needing workers and community agencies able to reach out to disadvantaged, out-of-school youth needing jobs.
3. To mobilize and strengthen the community's resources for developing jobs for youth, making training relevant, and providing supports that youths need to overcome obstacles (educational, physical, mental, legal, and economic) to job holding and advancement.

It will include a policymaking council, a network of youth-serving agencies linked into a job and career center, a job-development task force, and resource teams for support services.

Policymaking Council. In each city, the consortium is to be adapted and its policies governed by a council of capable leaders interested in the youths to be served, and representing the various community sectors (e.g., business and industry, labor unions, the state employment service, CETA, educators, youth-serving agencies, and other social services.

The council will:

1. Identify and establish the roles of the youth-serving agencies to be included in its network.
2. Determine the location and policies of the Youth Job and Career Service.
3. Establish a job-development task force, to be staffed by a coordinator of job development.
4. Plan for expansion of training as needed by youths.
5. Establish community resource teams to provide the support services youths will need.
6. Determine criteria for the consortium staff and employ a director.

Job Development Task Force. This should include representatives of a cross-section of employers and organizations (e.g., neighborhood businessmen's clubs, personnel association, employment service, Chamber of Commerce, NAB) and the news media.

Its tasks will include assisting in searching out job needs, especially in small- and medium-sized firms, in all neighborhoods and all sectors of the economy; encouraging

employment and training of out-of-school youth; enlisting the help of employers as consultants and trainers; and sponsoring a program of public recognition to firms, unions, clubs, neighborhood groups, and individuals helping to provide more jobs, training, and needed supports to the city's out-of-school youths. The task force might explore the possibility of providing workers year-round to employers with different seasonal peaks. It might work with the consortium staff to encourage and plan sensitivity training for "buddies" (i.e., experienced workers assigned to give hands-on training to newcomers) and supervisors of youths placed in jobs or training.

Expansion of training opportunities for youths will be planned by the policymaking council with the help of the job-development task force, CETA, and operators of existing training. Plans will be based on employers' actual needs and will enlist employers and unions in planning training content and strategy and conducting the training. The consortium will encourage employers or unions to supply trainers by providing stipends for the trainers or reimbursements for their employers or unions. In most instances minimal skills will best be provided to youths through pretraining, preferably located in an industrial setting. On-the-job training may follow for some youths, direct hires for others.

Community Resource Teams. These will be drawn by the Policymaking Council from each of the following fields to help in locating support services: *health* (clinics, Visiting Nurse Service, dental association, Community Mental Health Service); *legal* (bar association, Legal Aid Society); *transportation* (transit authority, taxi companies); *child care* (day-care centers, schools of education). The council might obtain supplemental funds from United Way, or the kinds of services rendered may attract support from service clubs or local foundations.

The responsibilities of youth-serving agencies in the consortium would include outreach and recruitment of youth, job coaching, and training. The Youth Job and Career Service would undertake youth orientation, self-assessment, counseling, instruction, and placement. Sound models for all of these activities are already available in Vocational Foundation, Inc. and Jobs For Youth, Inc.

The consortium staff should include a director; a job-development coordinator; a records manager for information management; and, to relieve employers of burdensome record keeping, a coordinator of coaches, counselors, and instructors.

Technical Assistance and Incentives

The success of any model depends most of all on the capabilities and enthusiasm of its staff. While criteria can be written for staffing, it may be difficult to ensure recruitment of experienced personnel acceptable to the localities at salary levels locally available. Provision should be made for able and sensitive technical assistance for staff development from an outside source likely to command local respect.

Sponsorship of pilot Youth Job and Career Services by a national organization such as the Corporation for Public/Private Ventures might be considered an incentive to cities for improving linkage between out-of-school youths and existing jobs and as a way of facilitating the exchange of ideas among cities with similar problems. Funding for the pilots might come from several sources—national or local foundations, industry sources, CETA, or YEDPA.

Some Questions To Be Answered

What chance has a Youth Job and Career Service for bringing together the disparate elements of a community? Is it possible to find a few highly respected civic leaders who will increase that chance through their guidance and participation? Can it change the perceptions of the employer organizations who consider out-of-school youth too difficult to help?

Will a Youth Job and Career Service be able to hold the interest of inner-city youth

for more than short-term goals and services? How long can a center continue to serve the reassessment and career advancement needs of initial clients without depleting its resources for serving new ones?

NOTES

Bridgeport's population has always been an ethnic mix, its composition changing with successive waves of Europeans and more recently, an influx of blacks from Southern United States, Jamaicans, Puerto Ricans, and Cubans. Black and Spanish-speaking residents now comprise over 40 percent of Bridgeport's population and a larger proportion of its youth.

While many large manufacturers have moved to other regions, the Bridgeport area still has substantial manufacturing employment (40 percent of 156,000 workers in nonagricultural employment in July 1978). The dominant manufacturing industries are aircraft, fabricated metals, electrical and electronic equipment, and machinery.

In the past two years unemployment has dropped considerably in the city of Bridgeport, from about 13 percent in 1976 to 6.6 percent in April 1978.*

There is considerable current demand for precision machine operators, tool and die makers, electronic assemblers and skilled clerical workers. The available population of skilled machinists and tool and die makers is an aging one without young replacements. One of several factors in the improvement of the area's economy is a multimillion-dollar contract recently awarded to Sikorsky Aircraft. Demand for skilled technical workers exists not only in Sikorsky and other large plants, but also in hundreds of small machine shops, welders, metals processors, etc.

A limited number of unskilled jobs exists in Bridgeport's factories. There are many more in the service and retail sectors. No data are available from employers concerning the age of their employees, but the unskilled service jobs are predominantly the ones open to young workers.

Figures are not available for the local rate of youth unemployment. According to Employment Service records, 15- to 21-year-olds represented 18.5 percent of Bridgeport area registrants in September 1976 and 19.6 percent in September 1978. These figures indicate that youths were an increasing proportion of registered job seekers, but they do not shed light on the percentage of the youth population who were jobless or the number of jobless youths who were not registered. Generally persons with longer attachment to the labor market tend to use the Connecticut State Employment Service more than young people do.

Bridgeport's annual school census taken in June 1978 counted 16- to 20-year-olds as follows: 611 unemployed non-high school graduates, 338 unemployed graduates. Local school officials guess that the actual number was considerably higher. They were successful in reaching 578 out of 598 June 1978 non-college-bound graduates in September and October 1978. Of the 578 non-college-bound graduates surveyed, 98 (21 percent) were unemployed.

* The Connecticut State Department of Labor reported 13.8 percent unemployment for Bridgeport in April 1976. However, these figures are not precisely comparable because the method of computation has changed.

6

Making the Job Connection

Experience is a valuable commodity in securing employment at the entry level of organizations that offer good employment futures. Unlike academic achievements, young people's developmental experiences are not systematically recorded. A pilot program to develop such "experience reports" is proposed here.

For many youth who have dropped out of high school, resuming education is the best job preparation, yet it is unrealistic in most instances to expect that these young people will return to the high schools they have left. Also, they need employment. Proposed here is a community-college-based, cooperative-education model for high school dropouts, combining work and education.

Any youth employment program that expects to gain footholds for youth in the private sector requires job-development and placement components. A number of the better ones are described here, after an extensive study of programs across the country.

PILOT PROGRAMS THAT MAKE THE JOB CONNECTION IN BRIEF

Pilot Program No. 11—The Experience Report. A community-based Experience Reference Service would compile for youthful job seekers an Experience Report that summarizes and certifies the youth's developmental experiences during high school and afterwards.

Pilot Program No. 12—Private Work-Education Model for Out-of-School Youth. Pilot programs would be created within the community-college structure that combine private employment and education for out-of-school, inner-city youth as a step toward career opportunities.

Pilot Program No. 13—Job Development Survey. The job-development strategies followed by ten highly effective agencies are analyzed and compared.

Pilot Program No. 11
The Experience Report

A community-based Experience Reference Service would compile for youthful job seekers an Experience Report, which would provide a summary and certification of the youth's developmental experiences during high school and afterwards.

Problem and Strategy

When a young person is looking for a job, the most important thing employers look for is substantial prior experience. Yet, the only careful records that are available on the accomplishments of any individual young person are those that have to do with academic achievement, report cards, and school files.

This situation is of greater importance to youth in the inner city than in the suburbs, although it is not unimportant there. The predominant method youth use to find jobs is to rely on leads from friends and relatives. When friends and relatives are more likely to be unemployed, as they are in the inner city, and less likely to be in a position in private enterprise to exercise influence, the developmental experiences youth have are even more important in establishing experience credentials. Yet there is no piece of paper, comparable to the school report card, that records and validates experience.

With fewer informal connections to employment, there is more need for formal records. Employers, in general, are reluctant to hire youths under age 20 or 21 for regular, full-time jobs of the kind that adults hold. Their reluctance is reinforced when a young person applying for a job cannot present a record of even the few experiences he or she might have had.

As the number of public ventures that provide inner-city youth with developmental experiences expands, it becomes increasingly important to find a way to convert these experiences into usable currency. This is true for three reasons.

The first is that, while employers may know the name of the CETA program in which a young person is enrolled, they are not so likely to know exactly what kinds of experiences are provided by the different programs and what kinds of competencies are achieved through them. With the growth of programs under YEDPA, employers will be even less likely to be able to sort them out.

The second reason is that the turnover in personnel administering these programs is high, and the record-keeping not as systematic as it might be. As a result, it is difficult to retrieve information about individual performance that may be useful in finding a job two years after completion of a program. The job-development effort in these programs is thought of as something that takes place as soon as the program is completed; the retrieval of the experience for job-hunting purposes a year or two later is not really a part of the system.

The third reason is that youth programs come and go, and records go with them. So do the immediate supervisors in small businesses where youths may have worked briefly. Thus, an inquiry by a prospective employer about even a sterling performance at a former job may be met with the response that "That person was employed here, but we don't know how well he (or she) did."

Youth in more advantaged situations often negotiate the informal network. But youth in the inner city could profit from having their accomplishments a matter of record.

Description of Pilot

A community-based Experience Reference Service would provide youth with an Experience Report.

The Experience Reference Service would create a system, working with employers, CETA program managers, youth-service agencies, and a youth advisory committee, that provided for

- A working relationship with programs and employers to get from them accurate descriptions of the experiences youth have had while employed or enrolled in these programs.
- A standard Experience Report, created in consultation with employers. Employers would need to become familiar with the report so they would know what it was and would respect the integrity of the agency preparing it.
- A simple, but accepted, practice of breaking down experiences into component competencies (but in a commonsense way, and not by complex conceptual schemes and measurement systems).

The service would try to capture in the Experience Report a wide variety of activities in which youth engage, beyond regular jobs with employers, although actual work experience would be an important element of the report. The activities could include:

- Part-time jobs while still in school
- In-school activities that require organizational and leadership skills.
- Volunteer activities for the neighborhood or community.
- Commendations and recognition received from organizations in which the youth has been active.
- Hobbies that develop skills and competencies.
- Service in a Youth Conservation Corps or similar organization.
- Skills obtained in CETA training programs or proprietary schools.
- Skills obtained in a variety of public-service jobs, such as in Supported Work.
- Skills obtained in youth-run enterprises.

The service would enable youth to have their experiences certified by an agency that has the confidence of the employing community. It would not be for the purpose of giving employers access to such matters as arrest records. Access to records would be entirely within the control of the youth. It would be a straightforward recording of experiences a youth has had, not an evaluation of the youth or a test of aptitudes. It is the request of the youth for an Experience Report to present to employers that activates the service, not a request from employers for information about a young person.

The service is not a youth-placement or job-development agency. If it were, then the reports would have limited credibility so far as employers are concerned.

The Experience Report serves a purpose different from the assessment of experience for academic credit required by YEDPA: it is identifies the employment value, not the educational value of experience. And for the same reason, it differs from the assessment instruments being developed by the Council for the Advancement of Experiential Learning (CAEL). At its simplest, it is a good resume, developed by experts, with a credibility recognized by employers.

The basic idea of the Experience Report is to provide employment credentials to youth, based on their experience rather than on their formal education.

First, the sponsoring organization must reach a consensus on how many successful experiences constitute a credential that will assure employers that the youth is a good risk in hiring. Then the general design of the report would be worked out in consultation with employers. Lastly, the drafting of individual reports would begin. Extensive advertising in the area would familiarize employers with the report and promote acceptance of the idea.

The report itself can take a variety of forms, depending on the organization designing and carrying out the pilot. What has been described here is similar to a resume. Another approach would be a wallet-sized "youth card."

A helpful analogy is a passport, which enables people to travel from one country to

another. The Experience Report provides youth with an "occupational passport" that moves them into employment. Whichever device is used, it is clear that an imaginative approach will be helpful in getting across the idea to both youth and employers that doing well in any available opportunity can be translated into employment credentials.

Impact

There is no way of knowing what impact the pilot would have in the community in terms of jobs obtained. This is very likely one of those interventions that alter the system itself, rather than merely meshing with it. By assessing a variety of youth experiences for the employment skills developed, employers may well enlarge the range of activities they consider to be useful prior experience. By demonstrating the numbers of useful youth experiences, the Experience Report may encourage employers to change their practice of not hiring youth at all, to one of hiring youth who have substantial entries in their Experience Reports.

By continually asking youth program administrators for usable information about the content of experiences of their enrollees, these administrators may find themselves paying more attention to the content of their programs. And by providing a means by which valid experiences can be authenticated, youth may be motivated to enlarge their participation in available activities.

Feasibility

The Experience Report is not a difficult service to create and operate. In fact, it will probably be more acceptable and effective if the report remains relatively simple. A new science does not have to be invented to describe experiences in ways employers can understand. There would need to be a fair amount of uniformity so that similar levels of experience could be categorized in similar ways.

The report would not have to be compiled in the same way from community to community. Nor would it be couched in such technical terms that it could not be easily comprehended by a wide range of hiring agents.

The service should maintain a periodic check to find out whether employers are recognizing the report as a factor in decisions to hire youth, and change it as necessary to maintain its utility.

Potential Sponsors

Potential sponsors may be:

- The CETA prime sponsor
- A Community Education-Work Council
- A Chamber of Commerce
- The National Collaboration for Youth
- Any youth agency well respected by employers.

Cost-Effectiveness

This is a venture into the unknown with respect to results obtained for expenses incurred. If competently prepared Experience Reports do in fact aid significant numbers of youth in negotiating the employment world, the cost would be relatively minimal. The cost of providing the service could be readily established after choices were made about how sophisticated the preliminary developmental work would be, but the effectiveness is dependent on (1) direct employment results obtained, (2) desirable modifications in employer youth-hiring policies in the community, and (3) increased motivation of urban disadvantaged youth to acquire experiences that will help them succeed in employment.

The investments are small and the potential large, but the pilot's success or failure can only be established through trying it out.

Pros and Cons

The advantages are:

- Youth would have documentation of employment-related experiences.
- No program is now meeting this need.
- The recording of the content of experience in publicly funded programs is not systematic and is often lost for purposes of use as a reference.
- The importance employers attach to experience in hiring transactions would be recognized.

The disadvantages are:

- In practice, the availability of Experience Reports might not make a difference in an employer's hiring decisions, but the extent of usefulness could only be established through trial.

Evaluation of the Pilot

The important questions would be:

- Do the Experience Reports achieve any significance among youth and employers?
- Is it feasible, at a reasonable cost, to provide youth with these reports?
- Does the certification of experience by a responsible agency seem to smooth the path of those under 21 in achieving regular adult employment?
- Do youth attach more importance to acquiring useful experiences when there is an organization that provides recognition of it?

Pilot Program No. 12
Private Work-Education Model for Out-of-School Youth
(Community College Model)

> Pilot programs would be created, within the community college structure, that combine private employment and education for out-of-school, inner-city youth as a step toward an alternative opportunity structure.

Problem and Strategy

There is a very large unemployment problem among young out-of-school youth. But a significant portion of those youth left school before graduating from high school and before becoming equipped with minimum educational competencies. A minimum-wage job in the service sector for them (the most realistic possibility) provides limited prospects for developing into stable, well-paying adult employment. What they need is employment *and* a suitable arrangement for obtaining further education.

There is a tendency to think only in terms of education when the concern is with the tremendous problems of inner-city schools, and only in terms of creating jobs when the concern is with the very high youth unemployment rates in inner cities. This kind of compartmentalization leaves out the fact that youth who have already severed their ties with the public school system are not going to be helped by improvements in it. And putting before them only an opportunity for a full-time job is an announcement that education has passed them by.

The primary thrust of a job strategy for urban youth is jobs now. However, a broad strategy also must recognize that the failure of many youths to go past the ninth or tenth grade has much more to do with the problems of living in the inner city than with a lack of interest in learning. The educational capability of inner-city schools has been seriously eroded for a number of reasons. Until we can decide what to do about it, youth who have retained some motivation to learn should have the opportunity to complete their

education, as well as to work. Cooperative education programs have demonstrated that these two pursuits are mutually reinforcing.

The need is greater than demonstrating that basic education can be built into work projects that have been created on an ad hoc basis. The strategy is to

- Move toward a situation where leaving public school does not mean that the opportunity for education is over; if the phrase "lifelong learning" is to have any meaning, it should start with keeping youth's options for learning open.
- Provide part-time jobs in the private sector that create access to careers when combined with continued education.
- Install the pilot programs in a widely available institutional structure, such as the community college system, so that they can be replicated in other localities.

The strategy is to develop and operate pilot cooperative education programs for out-of-school urban youth in the community college system. The objective would be to show how a regular education system, operating throughout the United States, can take on the task of easing inner-city youth into regular employment.

Description of the Pilot

Several community colleges would be identified as both capable of, and interested in, the creation and operation of a cooperative education program for out-of-school inner-city youth. The American Association of Community and Junior Colleges would be asked to participate in the identification of these colleges.

Community colleges have been chosen because they are our most flexible post-secondary institutions. The idea of "going to college" is likely to appeal to a youth without a high school education much more than returning to the high school he or she dropped out of. Also, community colleges in general have (1) the broadest conception of the clientele they are designed to serve, and (2) a mission of service to the community.

The breadth of clientele served and the extent to which service to the community is a mission varies, of course. The leadership provided by community colleges in about ten communities in launching Community Education-Work Councils is evidence of sufficient interest in launching pilot programs in this area. And in the State of North Carolina, the entire community college system, under state law, operates an occupational training program for the hard-core unemployed. Of 43 states reporting in a 1976 survey, 25 states reported "guaranteed open access for all adults over compulsory school age, with or without high school credentials". Thus, there is already a widely established admissions policy which includes the clientele we want to serve in these pilot programs.

The community colleges operating the pilot programs would have four major responsibilities:

1. Creating and providing the instruction.
2. Developing part-time employment opportunities in the private sector.
3. Coordinating, to the extent practicable, the experience and the instruction. ("Coordinators" would represent the youth before both the employers and the teachers and provide communication between the two.)
4. Providing placement services for those terminating.* This should be contracted out if the community has a strong youth placement service that has achieved credibility with employers.

The pilot program would be characterized by:

- Enrollment of inner-city urban youth without high school diplomas.**
- Award of certification of completion of high school.

* One advantage of a cooperative program is that many youths take full-time positions with employers for whom they have been working part time.

** Consideration might be given to enrolling youth who have diplomas, but who have not achieved minimal competence in the basic subjects.

- Opportunity to continue to receive certification beyond the high school level (with schooling free, but without stipends).
- Wages for work, and stipends for part-time instruction.
- Carefully established achievement criteria that youth must meet in order to remain in the program.

Since the success of the pilot programs would depend heavily on the involvement of the business community, it would be necessary for the top officials of the community college to work with the business community to encourage their participation. The pilots would have the best chance of success if they were located in communities that already have a high degree of collaboration among business, government, and educational institutions, as is usually the case when strong Community Education-Work Councils are in operation. There should be close relationships with youth-servicing agencies to provide a network of supportive services to the youth.

It has been the experience of program managers who have tried to get out-of-school youth to resume their education that many need to be phased back in gradually rather than plunged in suddenly. For this reason, work and study are alternated in this model; the entire program can be tailored to the individual student's needs, with study expanding on a phased basis to fill about half the day.

There are efforts of community and junior colleges that engage urban disadvantaged youth to some extent. We know of none, however, which is based wholly on the idea of cooperative education and directed at inner-city school dropouts, and in which employment is provided by the private sector. This is, thus, a *new* model, and not a replication of an existing operation.

Impact

The number of youth that can be served in a pilot program will depend primarily on (1) the extent to which private employers have been organized in support of the program so that part-time, private jobs will be forthcoming, and (2) the amount of money made available to the community college for stipends (for the schooling portion), instructional costs, and placement assistance for terminees not placed on full-time jobs with their co-op employer. To achieve substantial impact in the pilots, it will be necessary for both the employing community and the community college to think of themselves as sponsors of the program.

While the immediate impacts are further education and jobs, the linking of the two in a co-op program should result—after volume is achieved—in more (former) dropouts getting better jobs in the occupational structure, rather than being stuck for years in high-turnover service jobs at the minimum wage. So one test of success is achieving a better place in the occupational structure than would otherwise be the case.

The high potential for replication of several community college pilot programs of cooperative education for inner-city high school dropouts is one of the key reasons for advancing it here. There is growing experience with cooperative education in post-secondary education. More than half the community colleges have already opened their doors without regard to age or prior educational certification, so there is no barrier here to expansion. And community colleges now exist in or near almost every urban area.

Feasibility

Given a funding source, commitment on the part of the community college, and genuine effort to involve the business community, the pilots should be wholly feasible. Feasibility would be more certain if the pilots where launched in communities with strong Community Education-Work Councils and were endorsed by them, in order to take advantage of existing collaborative relationships between educational institutions and the private sector.

Admittedly, it is difficult to provide meaningful incentives to employers, just as it is in

all programs that require the participation of the private sector for their success. The question has to be asked: how attractive is this model to private employers relative to other options? In this context, there are some advantages from the standpoint of the employer:

- The employer is hiring a co-op student as a part-time employee, at least initially, and not as a full-time regular employee.
- The employer can choose among co-op students, and, based on experience with them, offer regular employment at the completion of the program.
- The employer knows that the educational shortcomings of those hired can be remedied, and that the community college stands ready to provide remediation.

Potential Sponsors

At the local level, the operating entity would be a community college. The pilot might be sponsored by a local Community Education-Work Council in order to provide a continuing means of eliciting employer response.

The financial support is a different matter. It is as much an educational venture as it is employment. The Comprehensive Employment and Training Act spans both of these under the Youth Employment and Demonstration Projects Act amendments.

A state community college system could accept the sponsorship, as it has in North Carolina, with state appropriations available for training disadvantaged persons.

Cost-Effectiveness

The cost per year per student worker will vary about as much as costs vary among community colleges. Also, there are unknowns. Would only add-on costs of the community college have to be funded for the program? Would full overhead also have to be paid? Would the community college make in-kind contributions such as the free use of classrooms?

La Guardia Community College, in New York City, which has an extensive cooperative education program, estimates the operating cost of such a program at from $2,000 to $2,500 per student per year, not including start-up costs. La Guardia now has a co-op program, under agreements with public schools, geared toward in-school youth who are likely to become dropouts. This base of experience would be a good one to build on for a similar effort for out-of-school youth.

A community college that combines classroom work and experience is Empire State College in New York. Total annual cost per student at Empire State (1975) is $3,410, of which $800 is paid by tuition and student fees and $2,610 by state funds or other sources. Since the average for the traditional public liberal arts school is $1,989, and for the traditional private liberal arts school, $3,906, the Empire State costs are probably on the high end of the range for community colleges providing cooperative education.*

If a stipend is paid to the student for the educational half of the program (to supplement wages in the work half), it will be in addition to other expenses. The stipend should at least cover all out-of-pocket expenses of going to school, including food, supplies, and transportation. A stipend of $100 per month would bring the cost (for nine months) to between $3,400 and $4,400 per student.

Whether or not the pilot program is effective relative to its cost depends on how nearly it reaches its objectives. These will not reduce down to a single, simple measure. The objectives include the following:

- Creating options for completing education when a young person, for whatever reason, has not completed public high school.

* This information is taken from "Cost-Effectiveness of Programs" by George Weathersby and Armand J. Henault, Jr., in *Experiential Learning: Rationale, Characteristics, and Assessment*, edited by Morris Keeton. San Francisco, Calif.: Jossey-Bass, 1976.

- Moving those who enter the program from school-dropout status to that of high school graduate—or better.
- Securing part-time jobs.
- Securing post-enrollment employment.

Pros and Cons

The advantages of carrying out the pilot program are:

- The attraction it might have for inner-city, disadvantaged, high school dropouts as "second chance" education.
- A demonstration that education *and* work for out-of-school youth are mutually reinforcing.
- A test of whether the community college is a viable instrument for serving urban high school dropouts.
- Access to regular employment through part-time employment. The employee's value to the employer is enhanced by the fact that the employee has gained both work experience and education.
- Giving urban school dropouts a means of escaping the fate of casual, low-paid service jobs in which they are unable to achieve advancement.

The disadvantages may be:

- Funding sources for replication may not be readily available, although increasingly CETA has become involved with community colleges.
- Public schools (from which youth have dropped out) may perceive the community college alternative as a threat, although innovation to keep the same youth in school could be a constructive outcome.
- Some youth, it may be argued, will take staying in public school less seriously if there is an alternative. (This shortcoming of the program can be mitigated by requiring a waiting period for eligibility of from six months to a year.)
- The program depends for success on the cooperation and participation of private employers (as do all employment programs unless the objective is to create full-time public employees).

How Should the Pilot Be Evaluated?

It would not be necessary to start anew with an evaluation of the cooperative education approach, a widespread and growing practice in post-secondary education. The question is whether cooperative education, administered through community colleges, is a useful addition to the options available to urban youth who have not completed a high school education. The questions to which the pilot could supply answers are the following:

1. Are such youth, in fact, attracted by the opportunity? Are there enough youth interested to make it worthwhile offering this option?
2. Are the several community colleges carrying out the pilots making full use of local collaborative arrangements? Are they able to achieve sufficient participation from private employers?
3. Are the community colleges able to develop a curriculum and a method of instruction that succeeds with these students?
4. Are the retention rates in the program reasonably high (which probably means relative to other programs)?
5. Are the "graduates" of the program reasonably successful in finding jobs (and/or continuing education)?
6. Does the college setting seem to make a difference in whether youth are interested in resuming their education on a part-time basis?

Pilot Program No. 13
A Job Development Survey

The job-development strategies followed by ten highly effective agencies are analyzed and compared.

The job-development and placement activities of ten employment and training programs were analyzed for the survey—RCA/MCDA, New York; Hampden District Regional Skills Center, Springfield, Massachusetts; Vocational Foundation, Inc., New York; Training and Technology Program, Oak Ridge, Tennessee; Oak Ridge Associated Universities/Lockheed-Georgia Company, Marietta, Georgia; Private Industry Council of Charleston; Chicago Alliance of Businessmen Manpower Services, Chicago; Jobs for Youth, New York and Boston; and Peralta Services Corporation, Oakland, California. Seven major aspects of job development were identified in the survey—the importance of job development; common elements which make it succeed; the organization and staffing of job-development programs; employer aspects; creation of a labor market; client preparation and other program components; and exemplary results. These aspects are summarized below.

Importance of Job Development

Job development makes it feasible to transfer people from the public sector to private unsubsidized jobs. Since this is the ultimate aim of most government employment and training programs, job development is the engine which drives these programs to succeed and to renew themselves. Job development, therefore, justifies the training and becomes the end product. The prospect of a job also motivates the trainees and influences the reputation and credibility of the program, thereby affecting the recruitment of clients. Equally, job development motivates the program staff and provides the staff with an important sense of job satisfaction and task completion.

Outside of the program, job development, if successful, gains community support and employer involvement. Increasingly, it is the principal performance measurement applied by CETA prime sponsors and by the Department of Labor. It conditions and sets parameters for other program elements such as training and counseling. It provides a sharp reality basis for the program and for the client, particularly as most clients have inadequate information about the labor market and about their job prospects.

The job-development process offers a continuous resource to the client through repeated usage and through continuing contacts with the staff. Moreover, the performance of graduates and the responsiveness of the job-development system improve the image within the private sector of government-funded manpower programs.

Common Elements for Success

The basic element of success is employer satisfaction. Indeed, most successful job-development components are employer-oriented. That is, they aim to serve the client by serving the needs of the employer. It is only if employers are satisfied that clients can continue to be hired. This orientation is often not understood; for example, employment service offices typically attempt to make as many referrals as possible, so that clients are sent out to job interviews without a careful assessment of their suitability as job candidates. This technique can destroy the credibility of the placement service in the eyes of employers, for no employer is willing to interview ten or more candidates to make one hire. Job development must be employer-centered.

Two aspects create employer satisfaction. One is the referral of qualified candidates and the ratio of referrals to hires. In outstanding programs, this ratio is about 3:1. In

Chicago, using account representatives, the ratio was reduced from 18:1 to 3:1 by making each employment service staff member responsible for serving and understanding the needs of a small number of employers. The second aspect is retention on the job. If those hired from manpower programs can survive for 4-6 months or longer on the average, or can show a higher retention rate as compared to hires made normally, then employers will be satisfied.

Another common element is the development of a system of contacts with employers. The job-development staff must provide a rapid, next-day response to employer telephone calls listing job openings. Secondly, the staff must have a clear knowledge of each firm's specific personnel requirements. The program should provide a regular supply of graduates throughout the calendar year. Once referrals have been made, the program staff must obtain feedback on the results of each individual job interview. They must also follow up with the client and the employer during the initial period after placement, and may, if requested, help counsel the graduate with personal or work-related problems. More often, though, follow-up consists only of obtaining feedback on how the individuals are progressing.

Two other basic elements affecting job-development results are the adequacy of training and work-behavior preparation. The training should be responsive to newer methods of equipment. It should provide adequate basic skills to the trainee and offer an awareness of bureaucratic or industrial procedures. The work-behavior preparation should stress: attendance and punctuality; work habits; standards of dress and speech; motivation and the desire to improve oneself; and attitudes toward responsibility and productivity ("a day's work for a day's pay").

Organization and Staffing of Job Development

Good job-development efforts are built around a permanent, well-paid staff. The program provides internal job-development staff training, but in addition, the developers slowly grow in their sophistication, common sense, and knowledge of the needs of specific employers. Job developers are typically assigned to handle individual key company accounts and to develop personal relationships with staff members of company employment offices. The job-development staff usually shares information about individual clients and their aptitudes, and the result of each job referral. An esprit de corps is usually developed. The staff must be encouraged and rewarded for focusing on human relationships, i.e., being sensitive to clients and to the problems of company personnel department members. The program must evaluate the performance of each job developer, setting realistic targets and creating a subtle peer pressure to meet or surpass these goals.

Bonus payments for exceeding placement quotas can be made to job developers. But the consensus is that these payments should be added incentives only. Otherwise, the essential element of human service may be lost, and job developers may focus on quantity rather than quality. It is the careful matching of clients to jobs that is essential to job development, rather than the total number of referrals.

Employer Considerations

Incentives. For small employers, the overwhelming incentive is regular and dependable cash subsidies for training (wage subsidies, if they became widely used, would serve the same purpose). For all employers, however, another major incentive is the training brought to the job by graduates. This training is judged above all by how quickly employees can be brought up to productivity standards. Increasingly, in major cities, a shortage of office and clerical personnel is occurring. Declining numbers of white, middle-class women are willing to take secretarial jobs; these jobs will be filled by women from disadvantaged and minority backgrounds. Employment, and training pro-

grams that supply people in other fields of occupational scarcity similarly are providing a major incentive for employer involvement. Where the supply of trained people flows to employers regularly, the companies are able to lower their hiring costs and to avoid using employment agencies.

Resistance. Most large companies refuse to accept government funding directly for training. Partially, the companies prefer to carry out their own internal training, but just as important, large companies reject the equal employment opportunity evaluation that accompanies government funding. Other resistance focuses on paperwork burdens and on the fact that private-sector operating needs and methods differ considerably from those of government. Companies also resist making commitments to hire future graduates of training programs because they cannot foresee their employment outlook even several months in advance.

Reception. Response to outstanding job-development efforts has been highly favorable wherever the program serves as a buffer between employers and government; where the program can supply trained people to fill occupations in which scarcities exist; and where job orders can be filled immediately, with one-stop service.

Feedback. At least three types of feedback techniques are used by the better job-development programs. One is a formal evaluation system, as used by TAT, which provides information on graduates' work performance, employer satisfaction, and new training and curriculum needs. Another technique is the provision of job fairs and periodic meetings with groups of employers. A third method, which RCA has demonstrated in New York, is to allow an employer consortium or several large employers to design a curriculum to meet their needs for a specific job category.

Creation of a Labor Market

A good job-development program creates a primary network of employers who give their job orders first to the job agency. The program also creates a secondary network of companies with fewer job openings, or with peak, periodic, or seasonal needs. The successful job-development agency inevitably adjusts and molds itself to these employer needs.

At the same time, job development *creates* a labor market for its disadvantaged clients. Companies that would not otherwise hire the disadvantaged, and who cannot afford to conduct their own training, are able to hire acceptably prepared people through the job developer.

The structure of the local labor market shapes the type of training, the employer incentives, and the program components. The Chicago Alliance of Business Manpower Services (CABMS) serves predominantly small businesses, which provide most of the entry-level jobs in Chicago. CABMS's natural vehicle is on-the-job training (OJT), which speeds up hiring decisions or actually creates jobs. Through CABMS and OJT more employers are tapping the black labor supply and, increasingly, the supply of low-paid, underemployed Hispanics.

The labor market in New York, by comparison, has lost most of its larger blue-collar employers. Thus, Vocational Foundation, Inc. (VFI) specializes in serving the very small garment-center firms which it supplies with low-skilled black youths. On the other hand, RCA concentrates on the large white-collar employers whose greatest need is a year-round supply of secretaries and clerical workers. A labor market is developed and, in turn, is led to serve the disadvantaged.

Client Preparation and Other Program Components

Job-placement results establish how the clients will be prepared and what the program components will be. The Hampden Skills Center and the Training and Technology program (TAT) have learned to analyze carefully what occupations are in demand and

what training would be suitable. VFI has discovered that where heavy post-placement counseling and apprenticeship training can be funded, job retention will rise markedly. The Boys' Club of El Monte, California, has learned that local employers will hire Mexican-American gang members, provided that a highly skillful and individualized judgment has been made about the youth's psychological readiness for the job, and about matching the youth's strengths to the demands of the job. And the Dallas Chamber of Commerce has found that well-managed work-study programs are attractive to a large number of Dallas employers.

These examples demonstrate that the nature of the placements determines the components of job preparation. These components must grow naturally out of job-development efforts, and not vice versa.

Exemplary Results

The results of these programs are evident in exemplary placement, retention, earnings, costs, and service to the disadvantaged. The Hampden program has achieved a placement rate of 80 to 85 percent, or about 1,000 trainees placed out of 1,200 trained annually.

TAT has recently shown a 95 percent placement rate. Some 82 percent of enrollees complete the program. The wage gain in 1972 was $3,025 immediately after graduation, as compared to pretraining earnings, or a gain of 69 percent. The cost of six months of training in 1977 was $5,040. The average placement wage during 1975–76 was $5.59 per hour.

At VFI, about 40 percent of all youths are placed in jobs; JFY in New York and Boston has a 46 to 50 percent job placement rate. Of those served by the VFI program, 94 percent are minority youths and 77 percent are school dropouts; yet the ratio of placements to referrals is 44 percent.

At CABMS, the costs are under $2,600 per job slot for an average of six months of on-the-job training. The average wage in 1978 was estimated to be $4.35 per hour. Some 80 percent of the clients are minority, and 75 percent are below the poverty line.

At RCA/MCDA in New York, the job placement rate is 80 to 85 percent of all graduates. Up to 20 percent of enrollees drop out in the first month; the overall program completion rate is 75 percent. Job retention is very high: 87 percent after six months on the job, and 72 percent after one year.

Specific Techniques

A number of the major job-development and placement techniques used by these organizations are summarized below:

RCA/MCDA in New York. RCA in New York largely trains for office and secretarial jobs. The single most important factor in the program's success is its links to about 70 New York-based large corporations. These companies participate in an RCA industrial advisory team. They work with the RCA center on improving placements and curriculum and on forecasting local labor-market demand for various occupational skills.

The job-development staff maintains close personal liaison with personnel staffs in these companies. Each RCA job developer is responsible for a small number of companies, called key accounts. The developer must learn each company's personnel needs and send the company only qualified candidates. Generally, job developers are expected to achieve one hiring for each two or three applicants referred.

The companies also participate in the program's world-of-work classes. The purpose is to acquaint students with the working environment. Company personnel representatives will often meet the students during training and will sometimes lead classes in discussing aspects of job performance, compensation, and work attitudes.

One month before graduation, students practice mock job interviews. The interview

shows the teaching staff what the student's deficiencies still are and permits remediation before the students enter the job market.

Among the factors determining overall program performance, RCA emphasizes most the need for a dedicated staff oriented toward human relations. The staff must understand the students, yet run the center as a business. Staff members must be sympathetic, yet still create a world-of-work atmosphere. Good staff selection and morale are critical. The center uses the methods and curriculum which they know from experience are successful. Improvements in techniques are developed through management and staff training sessions conducted quarterly for all staff members. But RCA is also careful to conduct its own program evaluation and to set quarterly program goals.

A survey was made of seven large employers who hire office and secretarial trainees from the RCA center. The companies included major banks, insurance firms, and manufacturers or distributors. They stated that they have continuing needs for trained office and clerical help. They valued the RCA center most for providing a regular supply of trainees who have appropriate communications skills, work habits, and education. They asked for training programs of greater length and skills development, especially to produce more word-processing machine operators, secretaries, accounting clerks, bank tellers, administrative assistants, and typists who can handle dictating machines.

The companies stated that, in general, they do not want to accept government funding directly for training. They want more independence from government and feel quite pressured by EEO compliance agencies. Therefore, they are quite happy to rely on RCA and to gain the benefits of its government funding. Use of the RCA service reduces the company's hiring costs, including the cost of advertising or private employment agency fees. These large companies generally don't want OJT contracts. The cash subsidies are not important to them; they fear government interference; they are already able to meet their EEO needs; and they feel that they should not accept government funds to carry out their own internal training. Also, the companies feel that they are unable to make commitments to hire future trainees under government-funded programs. Thus, the hiring process is very much affected by the quality of the relationships between the RCA job-development staff and the company personnel staff. The job developers, in effect, provide support by referring appropriate candidates to the company personnel staff members, who must satisfy the hiring needs of departments within their company.

As a deliberate strategy, RCA has cultivated the largest companies in New York who can hire considerable numbers of trainees. These companies offer more upward mobility, and RCA graduates therefore have been retained longer in a single company. As the graduates are upgraded, RCA obtains new entry-level job openings.

With more funding, RCA would like to expand its job-development and placement staff so that, with a larger network of employers and a larger supply of trainees, RCA could continue to establish exactly what types of applicants and training the companies need.

CABMS, Chicago. In marketing OJT contracts, the Chicago Alliance of Businessmen Manpower Services has reached out broadly to small businesses and minority-owned firms. These firms are overwhelmingly small businesses: almost half have less than ten employees, and about three-fourths have less than 25 employees. Four-fifths of the firms employ fewer than 50 people. Almost half, or about 45 of the OJT contractors are minority-owned firms. This high proportion is virtually unique in the country.

The OJT contracts fall into two categories: one is blue-collar physical work in construction or manufacturing; the other is white-collar work in retail or service businesses. By far the largest category involves services: about three-quarters of the OJT jobs involve service, financial, retail, or wholesale activities. This breakdown indicates how strongly entry-level jobs are shifting from farm and factory work toward white-collar service occupations.

Very few of these jobs—only 10 percent—qualify by Labor Department standards as being some form of apprenticeship. Similarly, less than one-fifth of the jobs are unionized occupations. The average OJT wage in 1977 was $4.17.

Most of the contracts involve some work orientation, special counseling, and job-related education. But both the work orientation and the counseling are usually brief. CABMS mainly places job-ready people.

Only 22 percent of those hired are age 22 or under. About 72 percent were 22 to 44. Employers are most willing to hire young adults for OJT contracts.

CABMS feels that by concentrating on small, service-oriented businesses it has developed a labor market which most other agencies have ignored. The other agencies try to gain jobs from much larger employers, using EEO requirements to try to coax more jobs from big companies. But for firms with less than 25 employees, EEO is not a significant pressure.

A sampling of small employers who use CABMS showed that CABMs was instrumental in helping these companies to tap new labor pools of disadvantaged people. The OJT cash subsidies were described as critically important to these firms. The subsidies, which were received every two weeks, had enabled the firms to speed up their hiring of new employees by at least four to five months. The firms had planned to enlarge their work force and were able to do so with OJT. The OJT subsidies represented valuable additions to their cash flow. The companies stated that they were able to retain their trainees and to enlarge their business sufficiently to justify the larger work force.

The firms were able to hire untrained people specifically because of the OJT contracts. The subsidies paid the companies for their efforts to bring trainees up to an adequate level of productivity. These businessmen depended on CABMS to help them with OJT paperwork and auditing. They also depended on the intermediary to stand between them and the Chicago city government.

In turn, CABMS has gradually strengthened its staff of people who market OJT contracts, establish the specific training in each firm, and provide continuing service to employers during the course of the OJT contracts. This personalized service to employers is at the heart of CABM's effectiveness.

Hampden District Regional Skills Center, Springfield, Massachusetts. After eight years of operations, the Hampden skills center has built a high reputation with about 100 companies who use the center regularly. It took Hampden about six years to establish a solid relationship with these firms. However, a replication elsewhere could succeed much more rapidly, perhaps after two years, if it would duplicate a number of major elements of Hampden's job-development efforts—understanding the local labor market clearly; closely relating the training to the skills needed; and obtaining the best staff and participants in the program.

Hampden does not take job orders over the phone from a new employer until the employer has first visited the program or been visited by a Hampden job developer. The program staff, including the supervisor, job developers, and instructors, works as a team to fill each job order. The team considers carefully what the employer really wants and what the environment of the job is. Then they consider the individual interests, personalities, and aptitudes of the trainees that they might refer. Hampden feels that this matching of personalities and preferences helps to explain their placement results. On the first job interview, about 75 percent of Hampden applicants will receive an offer of employment, and 65 percent will accept the offer.

Ideally, virtually every applicant will be hired because of the credibility established between the skills center and the employer it serves. Thus, when new companies are introduced to the center, the job developer will stress the overall value of the program and

The Hampden staff meets regularly to decide which trainees are ready for jobs. Those selected for job-ready status are allowed five weeks in which they continue to receive stipends and partial training while they are actively seeking jobs. Hampden wants the trainees not to be rushed in making their job decisions. Trainees are supported during this period so that they are not under sudden pressure at the completion of training to find a job. If the trainees are not placed after five weeks, they may continue for another four weeks to obtain counseling and job referrals.

At each interview, the trainee presents a resume, an attendance record, and a description from instructors of the competencies learned. This professional packaging of the trainees' records increases the likelihood that the trainee will receive a job offer.

Hampden also stresses that training must be preceded by careful assessment and testing. The aim is not to exclude people, but to understand what each individual's needs and aptitudes are. The results of good assessment and training are a much better placement record.

The culmination of successful assessment, training, and job development is that about 80 percent of the job orders flowing to the Hampden center come from employers who have used the center previously.

Peralta Services Corporation, Oakland, California.* This organization provides a supported work program in which ex-addicts, ex-offenders, welfare recipients, and other hard-to-employ people are put into work teams while being offered supportive services. Each of the 13 supported-work projects are under the general supervision of the Manpower Demonstration Research Corporation, located in New York. The Peralta project, started in early 1976, has had unusual success in job placement for graduates who have taken part in about one year of supported work.

Peralta's original job-development plan, which focused on canvassing employers in the field, turned up only one possible employer for every 30 contacts. The intention was to contact a large number of businesses each week. But Peralta job developer James Carter modified the plan in order to concentrate on selling Peralta to companies with high entry-level wages of $5 per hour or more. The focus was shifted from the quantity of contacts to better quality of job development through good preparation, hard work, and persistence. As a result, the Peralta statistics are as follows: 600 people have enrolled since the start. As of February 1978, 120 people were in the program. Of the remaining 480, 334 had participated in supported work, but had left before the official one-year completion of the program. The average length of stay in Peralta has been just under six months. Overall, the program's ratio of resignations to firings has been 2:1. Of the other 146 people, 50 placed themselves in jobs before completing six months of supported work. Of the 87 people who graduated from supported work, 82 have been placed in private-sector jobs. Only five did not have jobs when they completed the program. Virtually every first job after supported work was at the entry level, in most cases in assembly-line work. The average starting wage for the 82 who went to work was $5.12 per hour. More than 70 percent of these graduates were still on the job in 1978.

Employers to be contacted are selected from the *Oakland Chamber of Commerce Directory*, which lists 2,500 businesses in the county that employ 25 or more people, and the *Wholesalers' and Manufacturers' Directory*. Peralta prefers companies that employ at least 100 people, are manufacturers, have large annual employment needs, and offer high salaries and job security. The agency finds that its contacts now elicit interest from about one in four employers. Once personnel managers show interest, Mr. Carter will persistently call back to ask about job openings. He may spend months lining up an employer who might take several graduates over a period of time.

* For an excellent description of the program, see "Job Placement in Oakland," by Eric Lax, Manpower Demonstration Research Corporation, April 1978.

During supported work, Peralta tries to instill good work habits. The attendance goal is stressed to all supported workers for as long as they are in the program. Absentee percentages are printed on weekly paychecks. People who are consistently absent about 5 percent of the time are given special attention to correct or control the problem. Every month the work crew with the lowest percentage of absenteeism gets a free lunch. The agency has a "wall of fame" showing pictures of each working graduate.

After completion of six months of supported work, a Peralta employee is ready for the job-development classes, which are taught by Mr. Carter four hours per week for as many as 20 weeks. The classes concentrate on how to identify and obtain a job before leaving the program. Every week the class is given an application form from a different company to fill out. The students are taught to complete an application with speed and without error. In general, the classes teach that finding a job is based upon locating the appropriate employer, getting an interview, and selling oneself. The students are taught how to tell an interviewer about themselves with confidence. They also learn the importance of budgeting; they list their most enjoyable achievements; and they prepare for the kinds of questions most frequently asked by interviewers. Students critique one another's responses during mock interviews and see themselves on video tape. The aim is to have people graduate from the program by the end of the elventh month and spend their last month exclusively on job hunting. People are not sent out indiscriminately on interviews; they are matched to job openings as closely as possible. A worker without a car is *not* sent to interview for a job more than 45 minutes away by public transportation. The result of these efforts is that if a worker can survive more than six months in the program, he or she is likely to complete it and to obtain a job. The most serious problems concern the high dropout rate during the first 100 days of supported work.

The elements of good job development at Peralta include the support work itself—teaching good work habits and attendance; the job development classes, which prepare people for finding a job; the sense of pride in the program and unity among staff and employees; the professionalism and persistence of Peralta contacts with employers; and the excellent preparation which Peralta graduates bring to job interviews and to entry-level jobs.

Jobs for Youth-Boston. Job develoment at JFY-Boston is seen in terms of marketing the value of the program and in providing services to employers before and after placements. JFY stresses that it offers a free program centered around the employer. It points out that it will aid the employer to retain the youths who are hired. JFY also points out that it prepares and screens the youths before referring them for any job. It asks employers to describe carefully the nature of a job opening and the work tasks that will be required. It states that JFY will replace any employee with another whenever a youth's work performance is inadequate. The entire relationship is built on service to the employer.

These employer services are much easier to deliver in companies which have previously hired JFY youths and have experience in dealing with them. Often, when a youth is trying to do the job but not working very well, the experienced employer will call a JFY employer service representative and suggest counseling or remedial education. The representative may also work with the supervisor or boss to improve the work situation at the same time that a counselor is working with the youth. The two JFY staff members will consult on the best means to keep the youth on the job. These practices often strengthen the employer's acceptance of the program.

JFY-Boston is presently using five year-round college interns, one volunteer, and one full-time employee from CETA as employer service representatives. The agency finds that college students of 20 or 21 can handle the job, provided that they have adequate maturity. These representatives will normally take down information about job orders, carry out follow-up calls or visits, deal with employers in the field, and visit youths who

are on the job. They will also consult with JFY counselors about the specific details of job openings. When they are in the field, they fill out forms describing the employment needs of each employer they visit. They canvass and recanvass individual neighborhoods, street by street. In its first 18 months of operation, JFY-Boston contacted about 2,000 employers, either through personal visits or through telephone calls. With each new employer, the representative will speak briefly to the manager, provide information about the free service, and stress its efficiency, screening, job orientation, and consistency as a source of placements. On subsequent visits, the follow-up services will be stressed. The employers are told that the typical JFY youth has an incomplete high school education. Many of the employers know what type of youths to expect and are not put off either by high school dropouts or by youthful ex-offenders. If asked, the representative will state that the service is nondiscriminatory, stressing, however, that JFY screens to match the youth to the job. Because Boston is so racially divided, JFY will not send a youths to a geographic area where they would be in some physical danger. JFY will occasionally screen out certain employers where turnover or working conditions are unacceptable, but usually they will deal with employers for whom substantial turnover in entry-level jobs is normal.

Within two years, JFY-Boston has carried out a sufficient number of canvassing, telephoning, and mail campaigns so that 95 percent of its telephone contacts are now made with employers who have already been approached by JFY. About 65 percent of the telephone orders now come from employers who have been canvassed. In the first six months of operations, about 95 percent came from canvassing; thus, JFY feels that there is no substitute for active marketing of the program in the field. Much of the telephoning is to employers who have indicated a future need for young workers.

JFY-Boston is also finding success with mail campaigns. It sends self-sticking labels to place on nonprofit mailers, together with a return postcard, to Boston employers of all types. About several hundred are sent out each week. The cost for 1,400 addresses is about $1,000. These mailers emphasize the basic points—that JFY is a free service providing well-screened, reliable, entry-level help, geared to the employer's needs.

With these techniques, and working with hard-to-employ youths, JFY finds that it places between 46 and 50 percent of all youths who walk in the door. These youths may be placed in more than one job; JFY stresses *subsequent* placements so as to attach the youths to the work force.

JFY-New York. Since this agency has operated for 20 years in New York, its job development and placement functions benefit from the results of many years of previous efforts in marketing and in satisfying employers' needs. JFY-New York now can rely heavily on advertising in local industry media and trade association newspapers, especially at times of the year best calculated to match the seasonal flow of job openings. For example, advertisements in *Printing News* and *Metropolitan Restaurant News* have been quite effective.

In the past year, JFY-New York has identified ten industries or types of employers that provide the most jobs for its youths. These are: printing, fast foods, laundries, manufacturing, department stores, stationery stores, groceries, advertising agencies, supermarkets, and hardware stores. It typically works with nonunionized shops that have fewer than 25 employees.

As in Boston, JFY-New York stresses trying to keep youths employed for as much of the year as possible. It accepts the fact that youths' job retention is often not very long and that, in general, people do not stay in jobs as long as they once did. The agency also accepts the fact that it is aiding the youths to explore the world of work and different types of jobs and occupations. It stresses to employers that the agency will replace youths as they leave jobs and will keep jobs filled.

7

Opportunities in Public Service

A neglected approach to the urban youth employment problem is opening access to regular public employment in jobs which must be filled in any case and which do not need to be especially created for the unemployed. A model for trial in the federal public service is presented.

At a time when the armed services are having difficulty sustaining the volunteer approach, there are youth in the cities who are seeking military careers but who do not meet the selection criteria. Drawing on a substantial base of past experience, a pilot program is suggested for meeting the needs of both youth and the armed services.

Earlier in this report, new enterprises were suggested which would provide more opportunity for youth to exercise leadership. Leadership opportunities can also be offered in small scale, neighborhood-based, "youth public-service initiatives." A pilot program incorporating this approach is offered.

OPPORTUNITIES IN PUBLIC SERVICE
IN BRIEF

Pilot Program No. 14—Targeting Federal Jobs for Youth. A pilot program for obtaining career-oriented jobs in the federal civil service.

Pilot Program No. 15—Careers in the Defense Department. Pilot programs would be created in which disadvantaged youth would gain access to career opportunities in the Department of Defense, either in a civilian capacity or in the military services.

Pilot Program No. 16—Youth Public-Service Initiatives. Small groups of young people from the inner city could develop public-service projects to be performed in their neighborhoods and receive funding to carry them out from a Public Service Initiatives Board that is broadly representative of the community.

Pilot Program No. 14
Targeting Federal Jobs for Youth

A pilot program for obtaining career-oriented jobs in the U.S. Civil Service.

The United States Government employs more than 2,800,000 people. With any group of such size there is a considerable amount of turnover, in gross numbers if not in rate of

turnover, leaving room for new entrants. Moreover, new initiatives in the areas of environmental protection and conservation of resources have created additional jobs.

While the federal government, in the past, has taken the lead in fostering programs for disadvantaged youth in the public and private sectors, it has refrained from any concerted effort to hire youth itself. The effectiveness of all programs could be enhanced if the federal government established itself as a model employer of disadvantaged youth. State, county, and muncipal governments as well as private industry could benefit from such an initiative. And the federal government would be in a better position to determine what works well in youth programs.

Merely adding numbers of disadvantaged youth to the work force at the entry level, without sufficient education, training, and support services, is self-defeating and could do more harm than good. If we are talking about youth who have not made it in the regular education-work mainstream, then it is specious to assume that the mere provision of work experience will give them the knowledge, skills, and self-confidence needed to remain in the system and to advance. Therefore, we propose a broad approach to this initiative.

Strategy

This program will undertake to recruit, select, train, and employ between 100 and 200 disadvantaged urban youth in each of the ten federal regions in a variety of federal agencies. Youth will be placed in clerical, maintenance, support, or direct-service positions for 25 hours a week, divided between work experience or on-the-job training (20 hours) and formal training (5 hours). Fifteen hours a week will be spent in formal academic settings on a released-time basis, taking accredited course work related to their jobs and individualized remediation. Regular agency supervisors and trainers will be responsible for overseeing the work of the youth. Between 50 and 100 existing low-level employees in each region will be offered upgrading training opportunities. Concurrently, efforts will be made to adapt existing civil service regulations or to create new career lines for opening opportunities to disadvantaged youth.

The goals of the program are to secure, within merit principles, permanent employment for disadvantaged youth in federal agencies and to establish a model which can be replicated in state, county, and municipal civil service jurisdictions, and adapted by the private sector.

Pilot Description

Civil Service Requirements. The U.S. Civil Service has established requirements for employment by the federal government. Among these are: limitations with regard to age and education, the passing of a competitive examination, work experience, and specialized training or schooling. Some jobs for "work trainees" require no written tests or prior experience. These temporary jobs, which can last up to nine months, include:

clerical and other office workers
food-service workers
housekeeping aides
laborers
grounds-maintenance workers
printing-plant workers
elevator operators
various other blue-collar jobs

These jobs, however, require that applicants must be at least 18 years of age unless the applicant:

1. Is a high school graduate of at least 16 years of age.
2. Has been out of school more than three months and has approval to work from the school.

3. Has completed a formal job training program such as Job Corps or other CETA programs.

Initially, youth in this program could enter as "work trainees" or under a new, similar classification. At the same time, program administrators would begin working to amend some of the restrictive requirements, using the successful experiences of youth as the lever to make changes. A new affirmative action program, such as that for the handicapped, could be adapted for disadvantaged youth, or a totally new entry category could be established.

Recruitment and Selection. Youth will be recruited from those who were deemed eligible for CETA programs but for whom no education, training, or work-experience slots were available at the time. They will be interviewed and screened to determine if they want to enter this program and if they have the capability and desire to complete it successfully. Between 100 and 200 youths ages 16 to 19 will be selected in each region. Attempts will be made to match youths' interests and abilities to the kinds of jobs available.

Work Sites and Work Experience. Regional offices of the Civil Service Commission will be responsible for surveying each federal department's potential work-experience slots and the willingness of agencies and offices to assign existing personnel for training and supervisory roles.

In the development of work sites, special efforts will be made to expand or create jobs in the areas of environmental protection and conservation of resources. These are areas that have grabbed the public's interest and that can improve the quality of life. The object would be to identify jobs which provide direct services or new or modified services which meet the needs of communities within each region.

The federal government will be asked to commit itself to this pilot program by instructing the Civil Service Commission, and through it the other agencies of government, to make available nationwide between 1,000 and 2,000 entry-level jobs for youth. If necessary, the federal government could designate the disadvantaged youth as requiring "affirmative action" because of their special problems. A small percentage of available openings in federal agencies could be reserved for these youth. Hours of work will be established to fit each youth's education and training schedule. Work assignments will reflect the actual work to be done at each agency. Five hours a week will be devoted to formal training conducted by the regular work supervisors and training personnel. Twenty hours a week will be devoted to work under the close guidance of the work supervisors. One work supervisor will be responsible for no more than four youths to ensure as much individualized attention as possible.

The jobs should last at least one year, but in order for youth to secure valid credentials and to enable them to demonstrate their progress, competence, and capability, a minimum of two years is recommended.

Training. Formal and on-the-job training will take place at the agencies and will be conducted by qualified staff. On-the-job training of youths will focus on specific tasks and roles to be mastered by the youths and will take place on a continuous basis. Formal training will be conducted at specified times during the week and for specified periods of time. The focus of the formal training will be on the theory, purpose, and objectives of the work being performed, on its relationship to the academic curriculum, and on preparation for advanced tasks and roles. Formal training sessions may also be used to analyze progress being made, to resolve problems directly and indirectly related to the work, and to prepare youths for new tasks and roles.

Orientation will be provided to those conducting the formal training and those supervising the on-the-job training and will include: knowledge of the various cultures from which youth come, motivating youth, building confidence in youth, and various

teaching and training techniques. The academic curriculum will be described, and key juncture points will be established for tying it together with the training.

Education. In each region, one community college that is willing to participate in the program will be identified. The colleges will be responsible for providing the formal education and remediation required. The curriculum will be developed at two levels. First, federal officials in Washington will provide consultants to develop the outlines of a generic curriculum that will reflect the essential knowledge and skills required of all federal employees. This may include such topics as "How the Federal Government Operates," "The Structure and Purpose of the Federal Civil Service System," and "Basic Rights and Responsibilities of Federal Employees." The second level of curriculum development will take place in each region with representatives of the participating colleges and the various federal agencies developing the specific elements required. Efforts will be made to tie the educational curriculum closely to the kinds of work to be engaged in so that they are mutually reinforced. The colleges will allocate academic credit on the basis of successful completion of specified segments of the curriculum. Those youth with high school diplomas or equivalents would receive regular college credit; those youth without high school diplomas or equivalents who successfully complete the academic work would have the credits "banked" for them until they did receive their equivalencies.

Since each youth will be at a different level of competence with regard to basic academic skills, individual remedial programs will be developed by the colleges. Whenever possible, work supervisors and trainers will be involved in this process.

Support Services. It is assumed that disadvantaged youth will bring with them into the program certain needs and problems which, if not ameliorated, would interfere with their participation and potential success. Systems and resources for dealing with these needs and problems should be established before youth are recruited. One of the ways to deal with these problems is to contract with a variety of private and public agencies to supply needed personal counseling, health care, family assistance, transportation, etc., leaving agency staff free to concentrate on work-related problems.

Upgrading Existing Employees. In order to prevent the program from being subverted from within, some cognizance must be taken of those currently employed at the lowest levels. It is proposed here that upgrading programs be provided for existing workers in low-level jobs who may be threatened by the new workers. For every two youths hired, one existing employee should be offered the opportunity for receiving upgrading training or education.

Administrative Structure. The entire program will be administered centrally by a small staff of civil service employees who can call on a wide range of governmental and nongovernmental consultants. Within each region, a policy board will be established to oversee program operations. This board will be composed of representatives of the Civil Service Commission, departments which are providing work sites, academic institutions, unions, community, and youth.

This board will designate a coordinator to oversee the day-to-day operations of the program.

Impact

The pilot program itself would produce between 1,000 and 2,000 unsubsidized jobs nationally. It would also benefit between 500 and 1,000 present low-level employees who would be upgraded. If the program is deemed successful and is continued, the federal government would have a permanent pool of well-trained workers. In addition, the program would serve as a viable model for state, county, and municipal civil service systems—systems which employ far more people than the U.S. Government. Finally,

the basic design of the program can be adapted for use in private industry where it may be easier to change hiring policies than in the civil service.

Feasibility

This program is based generally on the design of the Public Service Careers Program of the early 1970s, and more specifically, on the New York City model which succeeded in establishing a new career ladder in the city's civil service systems for the disadvantaged as mental health workers. This program consisted of a multi-pronged approach that involved:

1. Establishing a new civil service career ladder.
2. Integrating work, training, and education.
3. Developing work sites in government agencies.
4. Providing orientation and training for work-site supervisors.
5. Providing access to academic and/or work-related credentials.
6. Providing upgrading opportunities for existing low-level workers.

Potential Sponsors

Every agency of the federal government could participate in this program initially, and most could, singly or in combination with other agencies, maintain such a program to meet future employment needs. By providing a prospective source of employees with direct experience, training, and education for each agency's needs, planning for future efforts can be made more rational. The U.S. Department of Labor and the Civil Service Commission would be the initial beneficiaries of this program. Labor would have another methodology for meeting its mandate of ameliorating youth unemployment, and civil service would be able to demonstrate that it is taking affirmative action for all groups. Such a program would eventually serve the self-interest of all federal agencies participating.

Evaluation

Any evaluation of this program should be done on contract within each region with a reputable outside consultant or group. It is important to ensure a good data base from the outset of the program, therefore whoever is selected to evaluate the regional programs must be involved from the initial planning stage.

This program has many goals, each posing difficulties of a different magnitude and each requiring different approaches and methodology for evaluation. Among the areas to be evaluated are: progress of youth and degree of ability to handle the various aspects of work, training, and education; the degree of receptivity of federal agencies to the program; the role of educational and other outside groups in implementing the program; the extent to which changes or adaptations can be made in the civil service system; the effect on work output by the youth; the degree of replication (possible and actual); and the cost/benefit ratio.

Cost-Effectiveness and Budget

This program is a relatively inexpensive one since the job slots would be administratively mandated by the President or Secretary of Labor as part of a youth-affirmative action effort. The major costs of the program would be for education, evaluation, and upgrading. Youth would be paid as regular full-time employees of the government and would be given 15 hours a week of released time. An even less expensive approach would be to pay youth only for the time spent on the job, with time in educational activities considered contributory.

Pilot Program No. 15
Careers in the Defense Department

Pilot programs would be created in which disadvantaged youth would gain access to career opportunities in the Department of Defense, either in a civilian capacity or in the military services.

Problem and Strategy

The Department of Defense (DOD) is the largest single employer in the United States. It also has the largest education and training establishment in the nation. It is reasonable to expect the DOD to play as large a role as possible in meeting the employment needs of inner-city youth.

There are a great many civilian occupations in the Defense Department in which young people could gain experience through a systematic program of internships. The Defense Department operates in areas that are exciting enough to attract street-experienced youth to the world of work: shipyards, naval bases, airports, motor pools, photo laboratories, etc. You name it, and it probably exists somewhere in the Defense Department.

Such internships could lead to civilian Defense Department careers, or interest youth in pursuing military careers, or give youth experience and skills for use in the civilian economy.

In regard to the DOD's military operations, there are two problems that may interact in such a way as to create opportunity. The armed forces, which rely entirely on volunteers, are increasingly short of personnel. Young people in central-city poverty neighborhoods are, on the average, much less likely to pass the written test when they try to get into the military. Past experience clearly establishes that some of the people who fail this test are capable of satisfactory military service, if remedial assistance is provided. Proposed here are a few pilot programs, based solidly on successful past experience, to provide entry and remediation for urban youth who want to enter the military but have tried and failed the written test.

This project is not proposed as a means of promoting service in the armed forces as a desirable career. It recognizes the practical problem of youth who want in, and can't get in, while at the same time the services are increasingly in need of personnel. It makes sense to experiment with practical ways to bring youth's ambitions and the military's needs together.

Out of 725,637 initial tests administered by all the armed services, 182,561 failed (21.2 percent), of which 140,956 were males (19.4 percent) and 41,605 were females (30.9 percent). If just 10 percent of those who fail could be successfully prepared for military service, employment opportunity could be expanded by 18,000, presumably without displacement, since the services are now under their recruitment targets. A pilot approach, of course, would involve only a portion of these.

Strategies to increase military employment opportunities for those with less than the requisite educational achievement are probably viable, on any scale, only when the services are experiencing personnel shortages, which is the situation now.

In World War II, when military shortages became acute, the draft was extended to illiterates. Special training divisions were created. A whole adult-education curriculum was created by the United States Armed Forces Institute, and after a period of such special education, the new draftees were moved into regular divisions. The effort was judged generally successful, based on records of accomplishment in terms of retention, combat record, and promotion.

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After World War II, there were not many occasions on which outright need forced the services into extending recruitment down to the less educated for meeting induction targets. In fact, in the early 1960s, there was some weeding out from within the services, and with the World War II baby boom rolling through the draft-age span, the enlargement of the military manpower pool caused the services to increase educational requirements (in terms of written test scores) and extend deferment policy. This changed as the Vietnam War demanded more troops. A combination of need and recognition by Secretary of Defense Robert McNamara that there was advantage in using the military to further civilian objectives caused the Defense Department to create Project 100,000, in which those who would formerly have been rejected were taken in and tracked to see how they would fare in military service. (At the same time, a project was undertaken to help those discharged from service to make a transition to civilian employment.)*

Beginning in October 1966, an initial target was set to admit to the armed forces 40,000 young people who either scored above the 10th percentile and were high school graduates, or who were high school dropouts and had passed some supplementary screening tests. Standards were set for the program, one of which was that "extra time and attention will be spent, when required, to help new standards entrants achieve satisfactory performance." The total number enrolled was 140,667, of which about one half were volunteers and one half, draftees. About 40 percent were nonwhite, 63 percent were high school dropouts, and 38 percent were not employed prior to entry.

Almost 96 percent successfully completed basic training, and while more of these recruits failed advanced training than regular recruits, their overall performance was judged to be satisfactory. The attrition rate, while slightly higher (about 10 percent after one and one-half years) was judged satisfactory. Disciplinary problems were low. About 90 percent received ratings from supervisors as good performers or better. After 15 months, more blacks were still in the service than whites. In appraising the results Secretary of Defense Clifford said that "Project 100,000 has been a spectacular success."

Description of Pilots

We propose two kinds of pilot programs:

1. *In the civilian sector,* youth from the inner city would be given internships at Department of Defense installations, of a fixed duration. While there would be efforts to offer options at the end of the internships in (1) DOD civilian jobs, (2) transfer to the military, or (3) assistance in placement in regular civilian jobs or training.

2. *In the military sector,* youth who attempted to get into the armed forces, but failed the written test (but who scored within specified ranges) would be given a preparatory period at armed services training stations, before receiving regular assignments.

The Defense Department is expert in training, and the peacetime armed forces is primarily a training institution. It is not necessary to suggest here a larger structure for these pilot programs. If a decision were made to embark on a program of this sort, all the planning capability needed would exist in the Defense Department.

Impact

The size of the pilots would depend largely on funding commitment and capabilities of the services (military and civilian sectors) to provide support. The impact of the pilots, in terms of numbers, would likely be in the neighborhood of 1,000 or 2,000 youth, but if the pilots became the basis for a new general policy, then from 10,000 to 20,000 youth could be affected, depending on the personnel needs of the services.

Feasibility

Past experience, in both World War II and Project 100,000 clearly makes the effort

* Both these projects are reported by Harold Wool in *Programs to Employ the Disadvantaged,* edited by Peter B. Doeringer (Englewood Cliffs, N.J.: Prentice-Hall, 1969).

feasible in terms of operations and successful integration into military services. The general training capacities of the Defense Department are unquestioned.

Cost-Effectiveness

From the standpoint of the military, the cost of the extra training effort could be weighed against the cost of expanding enlistments through other means. If some support for extra training costs were contributed by CETA, then it is likely that the cost-effectiveness would be favorable compared to other job-creation approaches.

As long as the services are short on volunteers, the substitution effect should be minimal.

Evaluation

The evaluation criteria would be:

- Whether the youth response was sufficient to sustain a larger scale effort.
- Whether the services found this approach to be a significant new source of volunteers.
- Whether youth in civilian internships make a successful transition to a regular job or military service.
- Whether performance of the youth in service matched the favorable record in similar past efforts.

Pilot Program No. 16
Youth Public-Service Initiatives

Small groups of young people from the inner city could develop public-service projects to be performed in their neighborhoods and receive funding to carry them out from a Public Service Initiatives Board that is broadly representative of the community.

Problem and Strategy

The primary approach to creating additional employment opportunities in the public sector has been the Public Service Employment program (PSE) in which the unemployed have become employees of municipal and state governments, through funds provided by the federal government. This approach will likely continue to exist.

There are limits, however, to how much this approach alone can do to alleviate the high youth unemployment rates in urban areas. Expansion of the existing approach will run into problems of displacement of workers, and of civil service hiring requirements, which often have lower age limits. Many of the problems with PSE have to do withthe fact that the jobs are in the provision of services that have already been taken on as a responsibility of municipal government. So questions are raised as to whether federal dollars are simply substituting for local dollars that would have been spent anyhow.

The question is whether there are ways in which youth could meet some community desires for services that avoid some of the problems of PSE. More particularly, are there ways that services could be provided that would allow young people to exercise more initiative and leadership than in traditional PSE settings, where the unemployed are hired for jobs in large organizations?

Description of the Pilot

The proposal is for a public-service counterpart to the Youth Enterprise Corporation, as a complement to (not a replacement for) regular PSE programs geared to youth. The

arguments for providing youth in the inner city with more opportunities to run small organizations and exercise leadership have been presented in the section on the Youth Enterprise Corporation. They are much the same for Youth Public Service Initiatives.

The pilot community would have a Public Service Initiatives Board, drawn from the whole of the community. The membership would include representatives from business, labor, education, youth service agencies, neighborhood organizations, ministers, municipal government, housewives, and youth. The board would give structure to what is intended to be a program in which desired services would be performed outside of regular government organizations.

Youth would take the initiative to identify a service and form a group to provide it. It could be two or three young people or it could be two or three dozen. It is possible that projects could be proposed and carried out by one person (WPA art and writing projects were). The essential elements are that (1) these would be entirely youth-managed projects (with adult advice), and (2) the services provided would not be those normally performed by the municipal government. Therefore, no displacement of regular workers can arise, nor substitutions of federal funds for local funds.

The intention is not to create large projects of any permanent duration. A project that lasts a year and a half, performed by the youth who created it, would provide a useful experience but would not be intended to be a permanent job. In that sense, such service would be transitional, as in PSE.

Since these projects are *ad hoc* and neighborhood based, services provided by them may not be kept going when projects are completed. However, when projects do meet real needs and get visibility, there may be an opportunity for them to be picked up on a more regular basis.

As much as possible the projects would be neighborhood based and mean something to the residents there. This would be necessary because of the essentially ad hoc nature of the projects. A neighborhood approach also means that adults will know the youth who are performing the services, and the participants will receive recognition as well as useful experience and money. The initiative for starting a project would have to come from the youth. They would have to prepare a proposal with the following contents:

1. What work or service is to be performed and for whom?
2. How will the project be organized and work supervised?
3. Documentation of support from neighborhood residents or organizations.
4. Budget, including rates of remuneration of the participants.

There would be considerable merit in having organizational sponsors for projects and youth groups carrying them out, for while these would be projects requiring youth initiative and involvement, experienced adults will be necessary in a support and advisory role. This would assure a more supportive framework. The sponsorship could be much like sponsoring a bowling team or a Little League ball club. It would be limited to the kind of organizations that would not themselves benefit from the project: their sponsorship would be strictly a public service. Neither would they be expected to provide any of the financial support for projects, which would come from public funds.

The requests for funding would be made to a Public Service Initiatives Board, which would include youth representation. The board would have a small staff to review the proposals and assist the youth in working out the plans for their projects. The staff of the board would perform a project monitor function after projects are approved. The board would act much as a foundation providing financial support for public-service projects organized and carried out by youth.

The matter of what services would be considered worthwhile, from the standpoint of the community and the youth, would be entirely a local decision, on a neighborhood-by-neighborhood basis, subject to whatever safeguards are thought to be necessary in the expenditure of public funds. Some examples might be:

- The creation of miniparks out of vacant lots.
- Services for elderly residents, such as snow removal and blood pressure checks.
- Creation of a recreation center out of a donated building.
- Teaching services for younger residents.
- Summer arts, crafts, and theatre workshops for all ages.
- Neighborhood security forces.

There should be some flexibility in the manner and amount of remuneration to the participants in the service projects. Remuneration would be included in the proposal, to be worked out by the staff and approved by the board.

There are, of course, public-service projects being undertaken now under the Youth Employment and Demonstration Project Act. The primary difference is that the projects described here would be (1) youth initiated, (2) youth managed, and (3) neighborhood based.

Impact

There is no expectation that such youth initiatives would be a major answer to the urban youth unemployment situation. The program is offered for trial for two reasons. First, an array of new opportunities for productive activities for youth in the city are needed. Second, some of those opportunities ought to allow latitude for youth initiative and leadership. Youth in the cities, including youth with severe employment difficulties, have a wide range of experiences, leadership abilities, and motivation. So too should the opportunities be varied to meet individual needs and abilities. In that way development will occur, and some youth will become employees in large organizations, some will work as individuals, and some will be entrepreneurs. These smaller public-service projects add an activity that will attract youth with more entrepreneurial talents and ambitions.

There is no way of knowing in advance how many youth would pursue these kinds of opportunities. That may depend on how rigid the criteria created by the board administering the project turn out to be, or how stringent the guidelines are from the funding agency.

Hopefully, the impact will be to

- Expand the choice of opportunities in the central city.
- Provide outlets for exercise of leadership and organizational skills of inner-city youth.
- Create bonds between the adult and youthful residents of a neighborhood.
- Provide useful services.

Feasibility

Administrative feasibility depends on achieving a balance between the flexibility necessary to let youth run the project, and enough guidance and monitoring to keep the projects from being badly carried out and thus resulting in poor experiences for the youth involved and little return in the way of tangible services. This probably argues for organizing simpler projects of smaller size, and requiring a considerable amount of prior planning and specifics about operations in the proposal stage.

A similar effort has been operating for years in Canada, but has undergone modifications from time to time. Originally, it was called Local Initiatives. The remaining elements of this approach are now embodied in a program called Canada Works.

As experience with the program accumulates, and as the projects fall into a pattern, both the board and the youth will become more certain about what kinds of projects lend themselves to this approach. As youth carry out projects successfully in one community, the experiences and ideas would be available for imitation in other communities.

This would be a new venture, taken in a spirit of recognition that new kinds of opportunities are going to have to be opened up for inner city youth. A lot of them need more room than provided in the highly structured adult-run programs, which more and more tend to be the kind of institutions they ran away from when they left the public schools.

Potential Sponsors

This is the kind of project that should be carried out as a pilot in three or four urban areas and therefore could best be handled by an intermediary organization committed to the objectives of the pilot. One possibility would be the American Federation of State, County, and Municipal Employers (AFSCME) as the public-service counterpart to Junior Achievement, or the kind of youth enterprise proposed elsewhere in this volume.

The National Manpower Institute has experience brokering such local projects, as does the Corporation for Public/Private Ventures.

At the local level a number of existing agencies and organizations could be sponsors, including block and neighborhood associations. However, in this structure, the governance would be entirely the responsibility of the board, so that broad community representation is involved in approving service projects, using public funds. Sponsorship at the local level would be more a volunteer effort to give encouragement and advice to a group of youth wanting to carry out a project—and perhaps a particular kind of expertise, depending on the nature of the project and the sponsoring organization (for example, a local horticultural society might sponsor a youth group that wants to launch a project of planting shrubs and flowers in public areas of a neighborhood).

Cost-Effectiveness

The costs should be much less than the costs of PSE. For one thing, civil service pay scales are not involved. And since the tasks these groups take on are not regular municipal functions, nor work performed by any institution on an organized basis, there can be no "prevailing wage" standard. The jobs would be billed as earnings opportunities, but not as regular jobs. The overhead costs should be low, although there will be expenses of supplies and materials, depending on the nature of the project.

The opportunity to exercise initiative and "run things" should attract some youth who would otherwise find application of energies and talents in street activities that have high costs to the public. This, of course, will never be subject to measurement. To the extent that this is the case, the net public costs go down.

From the standpoint of relative cost-effectiveness, the performance of services in this manner—with youth gaining experience in creating, organizing, leading, supervising, and being held accountable—can be a more valuable developmental experience than a CETA job in a regular public agency.

Pros and Cons

The advantages are:

- The diversity of inner-city youth opportunities would be enlarged.
- More outlets would be provided for youth with leadership and organizing abilities.
- Youth and neighborhood residents would be brought closer together.
- Problems in expanding regular PSE—displacement and substitution—could be avoided

The disadvantages are:

- This approach may not provide a high volume of opportunities in any single community; it is intended only as a supplementary opportunity.
- There will be risks that some projects will be poorly run.

8

Next Steps

The responses of practitioners, even before formal publication of this report, confirms that there is a need for the kind of program ideas and designs it contains. Already agencies in the field are at various stages of putting them into action.

Jobs for Youth, in Boston, is developing The Experience Report (No. 11). Youthwork, Inc., is considering the Youth Enterprise model (No. 4). The Safer model (No. 8) is under review by several prime sponsors. The TAT/Hampden model (No. 9) is being studied by two business consortia in different parts of the country.

Corporation for Public/Private Ventures, in Philadelphia, a vigorous offshoot of the Ford Foundation, is studying the replicability of the Jobs for Youth model (No. 7), and is preparing to launch several demonstrations of the Manpower, Inc., model (No. 6). The U.S. Department of Labor has contracted with Work in America Institute to develop and run a series of workshops for job-development professionals, based on the Job Development Survey models (No. 13).

In order to reach the thousands of agencies, private and public, which constitute the "market" for our pilot programs, a broad-scale campaign of promotion and dissemination will be mounted, again with the support of the Rockefeller Foundation.

Five thousand copies of this report and ten thousand copies of a brief executive summary will be printed. Both documents will be presented to the press and key public figures in early June 1979. A special presentation will be offered to members of Congress, including the Black Caucus. Leading newspapers will be briefed in advance of publication. Press releases will be sent to key business, labor, and editorial writers in all corners of the United States and to specialized employment and training newsletters. A direct-mail promotion of the report to 50,000 individuals and organizations in the private and public sectors with an active interest in youth employment will follow.

Dissemination and promotion of the report should stimulate many more agencies to pick up these ideas and pursue them aggressively. We understand that the shapes of pilot programs may have to be adjusted, sometimes substantially, to meet specific requirements. Seeking no copyright on the designs, we wish Godspeed to those who adopt and adapt them. However, we do urge such agencies to keep Work in America Institute informed of their activities, so that the accumulating experience can be collected in one place and made available to others.

With the aid of such data and the experience of carrying out the study and the job-development workshops, Work in America Institute will remain a resource to help nurture the ideas of this report and fulfill the basic goal—more jobs for youth.

GLOSSARY OF ALPHABETICAL TITLES

BLS—Bureau of Labor Statistics, U.S. Department of Labor

CABMS—Chicago Alliance of Businessmen Manpower Services

CETA—Comprehensive Employment and Training Act

CPPV—Corporation for Public/Private Ventures

DOL—U.S. Department of Labor

GED—General Equivalency Diploma

JFY—Jobs for Youth, Inc.

NAB—National Alliance of Business

OIC—OICs of America; Opportunities Industrialization Centers of America

OJT—On-the-job training

ORAU—Oak Ridge Associated Universities

PSE—Public Service Employment

STIP—Skills Training Improvement Program

TAT—Union Carbide's Training and Technology program

VFI—Vocational Foundation, Inc.

YEDPA—Youth Employment Demonstration Programs Act

"Work in America Institute has undertaken a task of crucial importance to all of America. I find the results of your efforts to be one of the most comprehensive, thoughtful, and creative approaches to solving the urban youth unemployment problem to date. I was tremendously impressed with the depth and scope of the pilot programs you have developed. The National Urban League is anxious to continue its work with you in these vital efforts."

Vernon E. Jordan, Jr.
President, National Urban League

"Job Strategies for Urban Youth *demonstrates an understanding of the severity of the problem, along with pragmatic, action-oriented, and creative pilot programs aimed toward correcting these inequities. I endorse this report and strongly recommend that responsible leadership in the public and private sectors seriously examine these recommendations for implementation."*

Benjamin L. Hooks
Executive Director, National Association for the Advancement of Colored People

"The value of Job Strategies for Urban Youth *is . . . that it has pulled together a number of successful models and some new ideas for the consideration of funding agencies and program providers. Having participated in* Strategies, *I know that a good deal of thought went into the process and that every effort was made to present workable models and practical ideas. It was my pleasure and benefit to have been part of the effort."*

George Carson
Vice-President/Executive Director,
Vocational Foundation, Inc.

"Thank you for the opportunity to add our endorsement to the outstanding work that the Institute has achieved in Job Strategies for Urban Youth."

Frederick Jungmann
National Director,
The Jobs for Youth Programs;
Interagency Committee of JFY

"We enthusiastically endorse this publication and hope that it receives wide dissemination and utilization."

William R. Bricker
National Director, Boys' Clubs of America

". . . Job Strategies for Urban Youth . . . *certainly reflects creativity and action—two areas that are most important when dealing with youth unemployment problems."*

Charles E. Bradford
Executive Director,
Human Resources Development Institute
AFL-CIO

"The pilot projects included are diverse, realistic, and viable. . . . I know Job Strategies for Urban Youth *will be responsible for launching new and creative remedies to offset youth unemployment."*

Elizabeth A. Keller
Project Director,
New York Manpower Program
RCA Service Company